

The Narragansett Electric Company

Distribution Rate Plan
Amended Stipulation and Settlement

Marked to Show Changes

September 17, 2004

Submitted to:
Rhode Island Public Utilities Commission
R.I.P.U.C. Docket No. 3617

Submitted by:



**State of Rhode Island and Providence Plantations
Public Utilities Commission**

The Narragansett Electric Company
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Amended Stipulation and Settlement

The Narragansett Electric Company (“Narragansett” or “Company”), enters into this Amended Stipulation and Settlement (“Settlement”) with the Division of Public Utilities and Carriers (“Division”), Department of the Attorney General (“Attorney General”), The Energy Council of Rhode Island (“TEC-RI”), ~~the United States Department of the Navy (“Navy”), and~~ People's Power & Light (collectively, the “Parties”), to resolve all issues associated with Narragansett’s distribution rates and rate design during the period extending from the first cycle of the billing month to occur which is not less than 30 days following the Commission’s approval of this Settlement (“Effective Date”) through December 31, 2009 (“Rate Freeze Period”). This Settlement also resolves the Shared Savings amount to be used by Narragansett through the end of the Rate Freeze Period and for all years from the Effective Date through the end of 2019 (“Settlement Period”). Except as otherwise provided, upon approval by the Commission, this Settlement will supersede in its entirety the Third Amended Stipulation and Settlement approved by the Commission in Docket 2930 (“Third Amended Stipulation and Settlement”).

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1. Rate Reduction and Rate Design

For bills rendered on and after the Effective Date, Narragansett shall implement a base rate reduction from the distribution rates currently in effect that totals \$10.243 million per year, calculated as shown on Exhibit 1, measured using a rate year of 2005.¹ This rate reduction includes \$5.0 million for customers' share of shared savings achieved since the merger of Narragansett, Blackstone Valley Electric Company, and Newport Electric Corporation. In addition, Narragansett shall forgo its ability to increase rates to: (1) eliminate the \$2.7 million Settlement Credit authorized in Section 2(c) of the Third Amended Stipulation and Settlement; and (2) recover the estimated \$2.6 million per year associated with the expansion of the low income credit as authorized in Section 20 of the Third Amended Stipulation and Settlement. Finally, as set forth in Section 7(c)(1), Narragansett shall return to, or otherwise apply for the benefit of, customers an estimated \$22.8 million of accumulated shared earnings realized under the Third Amended Stipulation and Settlement over the first twelve months after the Effective Date ("Customer Credit"). The tariffs included in Exhibit 2 shall be approved and implemented for the Rate Freeze Period, and certain tariffs listed at the outset of Exhibit 2 shall be terminated or phased out in accordance with the phase-out plan set forth in that Exhibit. The allocations of the revenue reduction and Customer Credit to Narragansett's rate classes are set forth in Exhibits 3 and Exhibit 4, respectively, and the rate design and bill impacts are included in Exhibit 5 and Exhibit 6, respectively. Both the revenue reduction and the Customer Credit are allocated among Narragansett's rate classes based 50 percent on kilowatt-hour deliveries and 50 percent on the normalized distribution service revenues of each class in the rate year. The Customer Credit to the Navy has been adjusted in accordance with the Settlement in Docket 3551.

¹ Dollar amounts expressed throughout this Settlement may be indicated as text (e.g., \$1 million) or numerically (e.g., \$1,000,000). To the extent an amount expressed in the text of this Settlement relates to a specific amount set forth numerically in an exhibit, the numerical amount set forth in the exhibit shall take precedence.

2. Distribution Rate Freeze

(A) Rate Freeze Period

The distribution component of Narragansett's rates reflected in Exhibit 2 shall be frozen for the Rate Freeze Period, subject only to the exogenous events defined below that occur during the Rate Freeze Period ("Exogenous Events").² During the Rate Freeze Period, the Company will adjust distribution rates resulting from any of the Exogenous Events, as set forth in subsection (C) below.

(B) Exogenous Events

- (1) State Initiated Cost Change: Narragansett shall adjust its distribution rates (upward or downward) if the occurrence of a "State Initiated Cost Change", as defined below, causes (in the aggregate) a change in the Narragansett's revenue requirement by more than \$375,000. For purposes of this Settlement, the term "State Initiated Exogenous Change" shall mean:
 - (i) the enactment or promulgation of any new or amended state or local tax laws, regulations, or precedents governing income, revenue, sales, franchise, or property taxes or any new or amended state or locally imposed fees (but excluding the effects of annual changes in local property tax rates and revaluations);

² Gross receipts taxes during the Rate Freeze Period shall be directly reflected on the tariff sheets and customer bills, whether higher or lower than that which was in effect at the beginning of the Rate Freeze Period. Rate adjustments associated with Exogenous Events that occurred under the Third Amended Stipulation and Agreement during the period prior to the Effective Date and were not otherwise credited or charged to customers will be added to or subtracted from the Accrued Shared Earnings, defined in Section 7(C), below. The effects of Exogenous Events that occurred under the Third Amended Stipulation and Settlement shall be deemed to be reflected in base distribution rates, and the Exogenous Events that are subject to adjustment during the Rate Freeze Period shall relate only to Exogenous Events that occur during the Rate Freeze Period.

(ii) the elimination of any existing state or local tax or fee obligations; and

(iii) any state legislative or state regulatory mandates which impose new obligations, duties or undertakings, or remove existing obligations, duties, or undertakings which individually decrease or increase Narragansett's costs, revenue, or revenue requirement.

(2) Federally Initiated Cost Change: Narragansett shall adjust its distribution rates (upward or downward) if the occurrence of a "Federally Initiated Cost Change", as defined below, causes (in the aggregate) a change in Narragansett's revenue requirement by more than \$750,000. For purposes of this Settlement, the term "Federally Initiated Cost Change" shall mean:

(i) any externally imposed changes in the federal tax rates, laws, regulations, or precedents governing income, revenue, or sales taxes or any changes in federally imposed fees; and

(ii) any federal legislative or federal regulatory mandates which impose new obligations, duties or undertakings, or remove existing obligations, duties, or undertakings which individually decrease or increase Narragansett's costs, revenue, or revenue requirement.

(3) Regulatory Cost Reallocation: The distribution rates reflected in this Settlement during the Rate Freeze Period are based on the separation of costs among supply, transmission, and distribution functions in place on the date of the Settlement. If a "Regulatory Cost Reallocation", as defined below, causes a change in Narragansett's revenue requirement by more

than \$500,000, Narragansett will make an appropriate adjustment to its distribution rates to reflect such change or allocation. For purposes of this Settlement, the term "Regulatory Cost Reallocation" shall mean the reassignment of costs and/or revenues now allocated to generation, transmission, or distribution functions to or away from the distribution function by the Commission, FERC, NEPOOL, the ISO or any other official agency having authority over such matters.

- (4) Excessive Inflation: If the average rate of inflation from January 1, 2005 through December 31, 2007, measured by annual changes in the "Gross Domestic Product Implicit Price Deflator" ("GDPIDP"), exceeds 4%; or such average annual rate of inflation from January 1, 2005 through December 31, 2008 exceeds 4%, Narragansett will be allowed, pursuant to the procedure below, an increase in its distribution revenues in years 2008 and/or 2009, respectively, equal to the amount by which such average inflation rate exceeds 4%. In calculating the amount of the allowed increase, an adjustment to the distribution cost of service used in the calculation shall be made to remove depreciation before multiplying the allowed percentage against the resulting distribution revenue.

(C) Procedure for Adjusting Rates During the Rate Freeze Period

- (1) Procedure: If Narragansett incurs any changes in costs, avoided costs, revenue, or revenue requirement in excess of the thresholds set forth in the prior section in connection with any of the Exogenous Events that have occurred during the Rate Freeze Period, Narragansett shall file for

adjustments no later than December 31 of the year in which the amounts are incurred. If Narragansett has not made a filing, the Division and other Parties have the right to make a filing on their own to open a proceeding if the Division or other Parties believe an Exogenous Event has occurred that should result in a rate decrease. Any adjustments shall be subject to review by the Commission, and after a public hearing and approval by the Commission: (1) shall be implemented for usage on and after April 1 of the following year (unless suspended by the Commission); (2) shall be allocated among Narragansett's rate classes based 50 percent on kilowatt-hour deliveries and 50 percent on distribution service revenues billed during the year in which the amounts were accrued; and (3) shall be collected through a uniform and fully reconciling surcharge or refund factor designed for each rate class and applied to all kilowatt-hours billed under Narragansett's retail delivery service rates. Any such filings are limited to once per calendar year, provided that any costs incurred or avoided from such Exogenous Events shall be deferred for consolidation in the single filing. However, when accumulated deferred costs incurred or avoided from such Exogenous Events shall reach \$1 million, the total cost/credit shall accrue interest at the customer deposit rate from such time until reflected in rates. In instances where the total accrued cost/credit is less than \$1 million and the effective date of the adjustment is suspended beyond April 1, the Company shall accrue interest at the customer deposit rate for the accumulated accrued amount (even though less than \$1

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million) from April 1 until ~~such time as the accumulated accrued amount~~
~~is reflected in rates.~~ In any proceeding under this subsection, the party

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claiming that there should be a rate modification resulting from the occurrence of an Exogenous Event shall carry the burden of proving the occurrence and the cost impact. The Company will file a certification with the Commission by February 1 of each year during the Rate Freeze Period, with copies to the Parties, certifying that, to the best of the Company's knowledge and belief, there have been no occurrences of Exogenous Events except as identified in the certification.

- (2) Earnings Limit: If and when the Company makes a filing seeking an adjustment that increases rates under this section, if the average intrastate return on equity of the Company, calculated using the same methodology as set forth in Section 7(A) below, for the time period from January 1, 2005 to the end of the last quarter prior to the date of the filing for such adjustment, exceeds 10.5%, the Company will not be permitted to make a rate adjustment until the average return has dropped below 10.5%. If and when the average return drops below 10.5%, the Company may only recover costs on a prospective basis.

(D) Traditional Cost of Service Ratemaking After the Rate Freeze Period

After the Rate Freeze Period, no special adjustments to distribution rates for Exogenous Events, as described in this Section, shall be permitted,³ and distribution rate changes (other than rate changes governed by Commission-approved reconciliation adjustment provisions) may

occur under traditional cost of service (“COS”) principles, consistent with Rhode Island law. As such, the Company is permitted to file a COS rate case to change distribution rates effective January 2010,⁴ if the Company believes it has or will have a revenue deficiency for the applicable rate year. The Parties also have the right to file a complaint with the Commission requesting that the Commission require a COS review to reduce distribution rates beginning in January 2010 if the Parties believe that the Company has or will have a revenue excess. In any cost of service case, whether commenced by a filing of the Company, a complaint, or on the Commission’s initiative, the Company may include an allowance for its share of savings, to the extent permitted by Section 4 of this Settlement.

(E) Non-rate Charges Not Limited by Settlement

- (1) Other Fees and New Services: The distribution rate freeze set forth in this Section shall not preclude Narragansett from proposing to increase fees, including, without limitation, line extension policies and other charges under its terms and conditions that are subject to Commission approval. In addition, the Company is not precluded from increasing pole attachment fees and other telecommunication-related fees referenced in Section 12 below. In addition, this Settlement does not preclude Narragansett from proposing new services for customers or nonregulated power producers for fees, provided any such fees are approved by the Commission. All revenue resulting from any increases in such fees and implementation of new fees shall be reflected above the line in the

³ Any Exogenous Event adjustments made during the Rate Freeze Period will remain in rates through the completion of the Company’s first cost of service rate case. However, no future adjustments will be permitted after the Rate Freeze Period.

⁴ A filing may be made in 2009 to change rates for effect after January 1, 2010.

calculation of Narragansett's annual earnings reports (subject to provisions of Section 12 below).

- (2) **Terms and Conditions:** Nothing in this Settlement shall preclude Narragansett from proposing changes to the provisions of its terms and conditions for customers and nonregulated power suppliers or the non-rate related provisions of its rate schedules, tariffs, and formulae for line extensions.

3. Exclusion of Merger Acquisition Costs from Rates; Imputed Capital Structure

(A) Exclusion

For purposes of cost of service and ratemaking, (1) the amortization of acquisition premiums and transaction costs from the NEES/EUA and NEES/National Grid mergers shall be excluded from rates, and (2) all unamortized acquisition premiums and transaction costs shall be excluded from Narragansett's rate base and Narragansett's rate base shall continue to be based on original cost of plant devoted to public service less depreciation. For purposes of this paragraph, the term "transaction costs" includes all employee separation costs resulting from the mergers.

(B) Imputed Capital Structure

Because the Company's actual equity as shown for financial accounting purposes is affected by Narragansett's recording of an acquisition premium and transaction costs on its financial statements as a result of both the NEES/EUA and NEES/National Grid mergers, the Company agrees to use an imputed capital structure for ratemaking purposes until the end of the Rate Freeze Period or the conclusion of the first COS rate case, which ever occurs later. Until

the Commission issues an order establishing new rates at the conclusion of the Company's first COS rate case, the Company shall use the imputed capital structure and associated cost rates shown below to calculate its return and income taxes for ratemaking purposes, including: (i) earnings reports under Section 7, and (ii) the triggers for Exogenous Events under Section 2(C)(2). The imputed capital structure and costs shall be as follows:

debt	45%	7.57%
preferred	5%	4.58%
common equity	50%	10.50%

All Parties reserve their rights to take any position regarding what the appropriate capital structure and cost rates should be in any rate case establishing rates after the Rate Freeze Period.

4. Incentive-Based Savings Plan

A properly structured incentive based rate plan can align the interests of the Company and its customers by establishing appropriate incentives to maximize savings for the benefit of the Company and its customers. To that end, the Parties agree that proven cost savings achieved by the Company shall be shared between the Company and customers as described in this section, subject to the reopener provisions described below.

(A) Shared Savings To Be Reflected in Earnings Reports and Cost of Service

Narragansett shall be authorized to include in its earnings reports and future COS analyses to determine its revenue requirement through the Settlement Period ending December 31, 2019, shared savings equal to \$4.645 million annually. The Parties agree that this Settlement represents a "COS rate case in 2004 to change rates for usage on and after January 1, 2005"

under Section 8(B) of the Third Amended Stipulation and Settlement, and, if approved by the Commission, shall represent the "Second Savings Verification" required under the Third Amended Stipulation and Settlement, and that as a result, Narragansett shall not be required to complete any further Second Savings Verification under the Third Amended Stipulation and Settlement.

Narragansett's share of the earned savings of \$4.645 million shall be allowed as an expense in COS filings made to change rates on or after January 1, 2010 and included in earnings reports for all years during and after the Rate Freeze Period until the end of the Settlement Period, subject to the reopener provisions described in subsection (B) below. An amount equal to \$5.0 million of customer shared savings is included in the \$10.243 million rate reduction.

(B) Reopener on Proof of Savings

The \$4.645 million of shared savings set forth under subsection (A) above shall be final and conclusive provided that rates remain below certain inflation-based thresholds described below. If rates rise above the thresholds, then the reopener provisions described below shall apply. The thresholds described below do not establish a right for the Company to raise its rates to either of the threshold levels. The thresholds only determine whether the Company may include all or a portion of its \$4.645 million shared savings in any given COS rate case filed after the Rate Freeze Period. The application of these thresholds is set forth below:

(1) Definitions

For purposes of this subsection (B), the following terms shall have the meanings given:

- (a) "Revenue Change" is defined as the resulting change in revenues

calculated on a per kWh basis as shown in Exhibit 7, for the specified rate year, produced by a change in distribution rates from the distribution rates in effect under the Third Amended Stipulation and Settlement immediately prior to the Effective Date, from which change in rates are subtracted the increases that would otherwise have been experienced for the increase that is related to the expansion of the low income rate under the Third Amended Stipulation and Settlement.

(b) "Percentage Revenue Change" is defined as 100 times the Revenue Change divided by the revenues that would be produced, in the specified rate year, by the rates then in effect prior to the Revenue Change.

(c) "Cumulative Percentage Revenue Change" equals the sum of all Percentage Revenue Changes.

(d) "Reopener Index" shall be 1.9% per year from January 1, 2005 through December 31, 2009. Thereafter, it shall be 80% of the annual change in the "GDPIPD".

(e) "Cumulative Reopener Index" equals the sum of the Reopener Indices for each year.

(2) **Reopener Thresholds**

(a) Reopener Threshold (through 2014): If at the time of any COS rate case filed by the Company after 2009 and before 2015, the Cumulative Percentage Revenue Change exceeds or will exceed the Cumulative Reopener Index ("Line A" in Exhibit 7) for the years which have elapsed since December 31, 2004, Narragansett shall be required to include in its

COS rate case filed with the Commission evidence regarding the continued existence of savings to Narragansett using the methodology set forth in Section 8(A) of the Third Amended Stipulation and Settlement applied to the rate year in the COS filing. The Parties to this Settlement will have the right to offer evidence disputing the presence of such savings. If the Commission concludes that the savings are less than the amount included in the cost of service, the savings included in the cost of service shall be reduced to the amount determined by the Commission.

(b) “GDPIPD” Threshold (through 2014): Until the end of 2014, if at the time of the cost of service review referred to in subsection (B)(2)(a) above, the Cumulative Percentage Revenue Change exceeds or will exceed the cumulative change in the “GDPIPD” (“Line B” in Exhibit 7) from December 31, 1999, the portion of the shared savings that causes the applicable index to be exceeded will be excluded from the cost of service until such time as the Cumulative Percentage Revenue Change is less than or equal to the change in the “GDPIPD”.⁵ However, if the Company can demonstrate that the reason why the “GDPIPD” referenced above was exceeded was a result of cost increases caused by “State Initiated Cost Changes”, “Federally Initiated Cost Changes”, or “Regulatory Cost Reallocations”, as defined in Section 2 above, the Company may be entitled to prove the continued existence of savings, as provided in

⁵ Any portion of the savings below the GDPIPD index is subject to the Company proving the continued existence of the savings, as provided in subsection (a).

subsection (a) above.

(c) Reopener Threshold (after 2014): After 2014, if the Cumulative Percentage Revenue Change exceeds or will exceed the Cumulative Reopener Index for the years that have elapsed since December 31, 2004 as a result of Revenue Changes going into effect on or after January 1, 2015, the portion of the shared savings that causes the index to be exceeded will be permanently excluded from the cost of service. However, if the Company can demonstrate that the reason why this index was exceeded was a result of cost increases caused by “State Initiated Cost Changes”, “Federally Initiated Cost Changes”, or “Regulatory Cost Reallocations”, as defined in Section 2 above, the Company may be entitled to prove the continued existence of savings, as provided in subsection (a) above.

(d) The implementation of these reopener provisions is illustrated by the examples shown in Exhibit 7 to this Settlement.

(e) For purposes of subsections (a), (b), and (c) above, the Company must meet the same burden of evidentiary proof as occurs in a cost of service rate case, subject to the usual review of the Commission and permitted evidentiary challenges by the Division and other intervenors.

5. Depreciation Rates and Tax Normalization

Narragansett will continue the depreciation rates approved by the Commission in the Third Amended Stipulation and Settlement during the Rate Freeze Period. In addition,

Narragansett will continue the normalization practices approved in the Third Amended Stipulation and Settlement that ceased the flow through of tax deductions relating to the cost of removal and began fully normalizing for all book/tax timing differences.⁶

6. Funding of Deficiency in Reserve for Deferred Taxes

In Narragansett's first COS rate case filed to change rates after the Rate Freeze Period, the Company will be permitted to recover the deficiency in its reserve for deferred taxes that remains on its books of account in such COS rate case by amortizing it over a period such that the revenue requirement of the annual amortization does not exceed \$1 million, provided that the amortization shall not be less than five years.

7. Earnings Reports

(A) Rate Freeze Period

The Company will be required to file annual earnings reports with the Commission by May 1 of each year during the Rate Freeze Period. Copies also will be filed with all Parties. The final determination of whether the Company has exceeded its allowed rate of return on equity will be made at the end of the Rate Freeze Period in a Final Accumulated Earnings Report, but annual calculations of interim accumulated earnings shall also be performed as provided in Section 7C(2) below in Interim Accumulated Earnings Reports. Specifically, by May 1, of each year from 2006 through 2009, Narragansett shall file an Interim Accumulated Earnings Report, with the Commission which calculates cumulative average return on equity on intrastate earnings

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⁶ The current accounting treatment of equity AFDC, ITC amortization, and ITC basis adjustments approved in the Third Amended Stipulation and Settlement shall remain unchanged and, as a result, not be considered book/tax timing differences.

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for the period commencing January 1, 2005 through December 31, ~~of the prior year.~~⁷ ~~On May 1,~~

2010, Narragansett shall file the Final Accumulated Earnings Report that determines the actual cumulative average return on equity on intrastate earnings for the entire Rate Freeze Period from January 1, 2005 through December 31, 2009. For purposes of calculating return and income

taxes, Narragansett shall use the imputed capital structure and associated costs of capital set forth in subsection 3(B) above; provided, however, if Narragansett's actual average common equity ratio falls below 50% for any of the five years during the Rate Freeze Period, any party may

contend that the use of the average actual capital structure for the five year period in the Final Accumulated Earnings Report is more reasonable than the use of the imputed capital structure.⁸

For purposes of ~~these~~ earnings reports, the allowed return on equity shall be 10.5%, ~~and~~ results

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will be adjusted to reflect established Commission ratemaking principles. However, there will be no adjustments to actual results to recognize or annualize known and measurable changes.

For the earnings reports covering both the Rate Freeze Period and the remainder of the

Settlement Period, the pension expense shall be reflected as on the Company's books under FAS

87 and FAS 88, with the exception of the expense associated with the Voluntary Early

Retirement Offer implemented by the Company during 2003 that shall be deferred and amortized

over ten years commencing on January 1, 2004. Post-retirement benefits other than pensions

shall be reflected as on the Company's books under FAS 106. During the Rate Freeze Period,

Narragansett shall continue its established policy of funding pensions and post-retirement

⁷ Narragansett will continue the calculation of the average return on equity for the period through December 31, 2004 pursuant to the provisions of Section 11 of the Third Amended Stipulation and Settlement, even if the Effective Date of this Settlement occurs prior to December 31, 2004. Thus, Narragansett will continue to evaluate its return through December 31, 2004 using the sharing provisions of the Third Amended Stipulation and Settlement using a 12.0% return on equity and without a shared savings allowance, but revenue will be lower because of the rate reduction implemented in this Settlement. The new sharing provisions under this Settlement will become effective on January 1, 2005 and continue for the balance of the Settlement Period.

⁸ The Company will use a five quarter average for determining rate base and equity in the earnings calculation for earnings reports during and after the Rate Freeze Period.

benefits other than pensions to the maximum tax deductible amount. The return on common equity will be calculated by dividing the net income available for common equity by the common equity applicable to rate base. The common equity applicable to rate base shall be calculated by multiplying the common equity ratio required by this subsection by rate base. Any accumulated earnings as calculated in the Final Accumulated Earnings Report over the Company's allowed return on equity of 10.5%, up to and including 100 basis points, shall be shared 50% for customers and 50% for the Company. Any earnings over 100 basis points above the allowed return on equity of 10.5% shall be shared 75% for customers and 25% for the Company. The customers' share will be credited to customers through the procedure described in subsection (C) below. During the Rate Freeze Period, earnings reported will include an allowance of \$4.645 million for shared savings.

(B) Post-Rate Freeze Period

After the Rate Freeze Period, Narragansett will file annual earnings reports for each year (commencing with the year 2010) showing the Company's return on equity on intrastate earnings.⁹ Copies will be filed with all Parties. Such filings shall be made no later than May 1 of the succeeding year. Narragansett shall be allowed to include \$4.645 million of shared savings allowed pursuant to the terms of Section 4(A) above in the calculation of earnings. For purposes of these earnings reports, results will be adjusted to reflect established Commission ratemaking principles, and the items reflected in the prior paragraph. However, there will be no adjustments to actual results to recognize or annualize known and measurable changes. Until the completion of Narragansett's first COS rate case, the Company will use the imputed capital

⁹ The earnings report requirements set forth in this Settlement are in addition to any other earnings report requirements that may be required by the Commission.

structure and cost rates set forth in subsection 3(B) above; provided, however, that if the actual equity ratio is less than 50% during the period under review, any party may contend that the use of the average actual capital structure is more reasonable than the use of the imputed capital structure. After the first COS rate case, the Company shall use the capital structure and cost rates approved by the Commission in such case. The return on common equity will be calculated by dividing the net income available for common equity by the common equity applicable to rate base. The common equity applicable to rate base shall be calculated by multiplying the common equity ratio required by this subsection by rate base. Any accumulated earnings over the Company's allowed return on equity of 10.5%, up to and including 100 basis points, shall be shared 50% with customers and 50% for the Company. Any earnings over 100 basis points above the allowed return on equity of 10.5% shall be shared 75% with customers and 25% for the Company.

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(C) Crediting Mechanism

(1) Earnings Credited to Customers ~~under~~ the Third Amended

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Stipulation and Settlement

As shown on Exhibit 8, Narragansett projects that it will have accrued an estimated \$22.8 million of earnings after the adjustments set forth below as of December 31, 2004, which should be credited to customers pursuant to the Third Amended Stipulation and Settlement.¹⁰ The

¹⁰ The net customer share assumes that the Commission has authorized the deferral and amortization of the 2003 VERO costs over ten years commencing on January 1, 2004. The estimated amounts reflected in Exhibit 8 will be reconciled to actual figures in a report to the Commission that will be filed by May 1, 2005, contemporaneously with Narragansett's earnings report for calendar year 2004. That report will calculate the actual amount of earnings to be credited to customers, and the amount of the Service Quality Penalties, Bonus Tax Depreciation, and Low Income Expansion Costs through December 31, 2004, and shall be subject to review and audit by the Division. Service Quality Penalties for 2004, if any, have not been determined as of this time and are not included in the \$22.8 million estimated Customer Credit, and the other adjustments as well as the earnings themselves are estimates. These figures will be reconciled to actual figures in the May 1, 2005 report. In addition, the amounts actually refunded to customers through the Customer Credit will be reconciled to the amounts owing to customers in Narragansett's first annual reconciliation filing occurring after the expiration of the Customer Credit.

adjustments shall include the following: (i) deduct an estimated \$1.32 million of net incremental low income expansion costs accrued during the effective period of the Third Amended Stipulation and Settlement; (ii) add \$1.8 million relating to service quality penalties accrued through December 31, 2003 pursuant to current Service Quality Performance Standards; and (iii) add \$1.2 million representing the estimated calendar year 2004 revenue requirement impact of bonus depreciation associated with the change in Federal Tax laws, IRC section 168(k). The balance shall be returned to customers over the twelve months following the Effective Date using the methodology set forth in Exhibit ~~4~~ and with the Customer Credit factors developed for each rate class in that Exhibit.

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The cities of Providence and East Providence (“Cities”) shall have the option to waive the implementation of the Customer Credits that would otherwise ~~be~~ applicable to the customers in those communities and Narragansett shall use the funds associated with those credits to underground the E-183 line in accordance with the settlement approved by the Energy Facilities Siting Board on May 28, 2004 in Docket SB-2003-1 (“E-183 Settlement”). In the event that both of the Cities exercise this option prior to the Effective Date, and Narragansett is able to secure the funding, permits, and the rights to land and easements set forth in the E-183 Settlement, Narragansett shall underground the facilities in accordance with the terms of the E-183 Settlement. In the event that: (i) Narragansett receives funding for the undergrounding from alternative sources; (ii) either City does not exercise the option in this paragraph; or (iii) Narragansett is unable to secure funding, permits, and the rights to land and easements set forth in the E-183 Settlement, then Narragansett shall notify the Cities and shall implement that portion of the Customer Credits not otherwise used to fund the undergrounding project for

Narragansett's customers in those communities. If Narragansett goes forward with the underground option, Narragansett shall file an accounting pursuant to Section II.H of the E-183 Settlement.

(2) **Earnings Accrued for Customers During the Rate Freeze Period**

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The customers' share of earnings accrued during the Rate Freeze Period shall be credited to customers in accordance with the following methodology. In each Interim Accumulated Earnings Report, Narragansett will report the customers' share of earnings accumulated through December 31 of the prior year. Narragansett shall credit to customers (without interest) using the methodology set forth in Exhibit 4, or such other methodology as may be approved by the Commission at the time, the customers' share of accumulated earnings in excess of \$8.0 million, in the twelve month period commencing July 1 following the Interim Accumulated Earnings Report filing on May 1. Any year-end balance, whether positive or negative (as a result of over-refunds in prior periods) not scheduled for refund or surcharge shall accrue interest at the customer deposit rate until returned or collected at the end of the Rate Freeze Period as set forth below. In its Final Accumulated Earnings Report, Narragansett shall calculate the credit to customers associated with their portion of shared earnings during the Rate Freeze Period and shall refund any outstanding balance in the twelve month period commencing July 1, 2010 using the methodology set forth in Exhibit 4, or such other methodology as may be approved by the Commission at the time; provided however, that if the Final Accumulated Earnings Report indicates that Narragansett has previously refunded an amount in excess of the customers' share of accumulated earnings as determined for the Rate Freeze Period, Narragansett shall surcharge customers over the twelve month period commencing July 1 following the earnings report filing on May 1 for the excess refunds together with interest at the customer deposit rate from the date

that the excess refunds were made.

(3) Earnings Accrued for Customers After the Rate Freeze Period

After the Rate Freeze Period, the customers' share of earnings accrued as of each December 31 shall be credited to customers over the twelve months commencing the following July 1 using the methodology in Exhibit 4, or such other methodology as may be approved by the Commission at the time.

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8. Environmental Response Fund

The Environmental Response Fund established under the Third Amended Stipulation and Settlement shall be continued and expanded to fund the recovery of "Environmental Response Costs", as defined below.

(A) Definition of "Environmental Response Costs"

"Environmental Response Costs" are all the reasonable and prudently incurred costs associated with remedial and clean-up obligations of Narragansett, or its predecessor companies, arising out of (i) Narragansett's or its predecessors' utility-related ownership and/or operation of manufactured gas plants and sites associated with the operation and disposal activities from such gas plants; and (ii) electric operations other than electricity generation¹¹ of Narragansett or its predecessor companies that gave rise to deposits or waste, which are regulated under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), Resource Conservation and Recovery Act ("RCRA"), Rhode Island General Laws 23-19.14, or

¹¹ The environmental response costs associated with generation are recovered under Narragansett's restructuring settlement with New England Power Company, approved by FERC in Docket Nos. ER97-678-000 and 97-680-000.

any other laws regulations, or orders by courts or governmental authorities, now located on Company property or on property to which the deposits may have migrated, or on any off-site location at which the deposits or waste may have been deposited and to sites to which such material may have migrated. A list of the known locations of manufactured gas waste sites and other sites containing material subject to this section is provided in Exhibit 9 to this Settlement. Narragansett shall have the right to propose additions to the list of sites during the Rate Freeze Period by including the request to include additional sites at the time that Narragansett files its annual report under subparagraph (C) below, provided that the inclusion of the Environmental Response Costs associated with additional sites to be charged to the fund shall be subject to the approval of the Commission. In addition to actual remedial and clean up costs, "Environmental Response Costs" also include costs of acquiring property associated with the clean up of such sites as well as litigation costs, claims, judgments, and settlements associated with such sites. The Company will use best efforts to satisfy its obligation to minimize the Environmental Response Costs charged to the fund consistent with applicable regulatory requirements and sound environmental policies and to minimize litigation costs that may arise. Any applicable insurance proceeds and any net gains (after transaction costs) associated with the sale or lease of land listed in Exhibit 9 shall be credited to the fund. To the extent the Company incurs any other extraordinary environmental liability of which it is not aware as of the date of this Settlement, the Company has the right to request the Commission to allow such costs incurred in connection with such extraordinary events to be included as "Environmental Response Costs".

(B) Funding

Interest shall accrue, for the benefit of customers, on any credit balances in the fund at the customer deposit rate. No interest shall accrue on debit balances. Any cash expenditures

shall be charged to the fund as long as the costs that are or have been incurred are Environmental Response Costs, as defined above. The fund shall continue to be credited at the current annual amount of \$3,078,000 or \$256,500 per month, and Narragansett waives its right set forth in the Commission's November 6, 2002 Order in Docket 2930 to reduce funding by \$2.2 million per year in the event that its total property tax bill for real and intangible property in the City of Providence is greater than \$6.3 million per year.

(C) Annual Reports

Narragansett will file an annual report with the Commission (and serve the Parties with copies), providing a summary and accounting of all costs incurred during such year which have been applied to the fund. Each of the Parties reserve their rights to review and challenge any costs that they believe do not fall within the definition of "Environmental Response Costs", as defined in subparagraph (A) above.

(D) Reservation of Rights

In the Company's first COS rate case to establish rates after the Rate Freeze Period, all Parties to this Settlement reserve their rights to take any position they deem appropriate regarding (i) the level of funding to be permitted in rates on a prospective basis to recover costs charged to the fund as of the date of such case, and/or (ii) whether the fund should continue as designed in this Settlement for the recovery of prospective costs. In addition, the Parties, as well as the Commission, maintain the right to investigate and take any position with regard to the reasonableness and prudence of Narragansett's actions, including those of any predecessor companies, that gave rise to the environmental liabilities that are subject to cost recovery under this section.

9. Storm Contingency Fund

The Parties agree that Narragansett's Storm Contingency Fund, as consolidated, shall have an annual funding level of \$1,041,000 (subject to Section 12); a threshold of \$638,000 for calendar year 2003 (which escalates each year in accordance with Commission rules); and a deductible of \$375,000.

10. Deferred Uplift Costs

As shown on Exhibit 10, Narragansett has deferred recovery of \$7.45 million of uplift costs and associated interest that were subject to dispute between Narragansett and its wholesale standard offer service suppliers ("Uplift Costs"). These Uplift Costs were the only costs that were deferred and were pending before the Commission on the effective date of the 2002 Amendment of the Utility Restructuring Act, and as a result the Uplift Costs are not subject to the provisions of that Amendment. The Parties agree that 25 percent of the Uplift Costs shall be disallowed from recovery and from Narragansett's earnings reports as also shown on Exhibit 10, and the remainder, equal to \$5.6 million shall be recovered over three years commencing after the Effective Date in Narragansett's Transmission Service Cost Adjustment with interest on the unrecovered balance as provided in Narragansett's Transmission Service Cost Adjustment Provision. The Parties also agree that these uplift costs shall also be recovered prospectively through Narragansett's Transmission Service Cost Adjustment Provision.

11. Adjustment Provisions

The rate schedules and tariffs of Narragansett include the adjustment provisions shown in Exhibit 2, which shall apply to all customers:

- (i) Standard Offer Adjustment Provision
- (ii) Transmission Service Cost Adjustment Provision
- (iii) Non-Bypassable Transition Charge Adjustment Provision
- (iv) Conservation and Load Management Adjustment Provision
- (v) Customer Credit Provision

12. Attachment Fee Revenue

All revenue received from attachment and other telecommunication company fees for use of distribution plant up to an annual amount of \$850,000 and 50% of all incremental revenue from such fees over \$850,000, will be included as above-the-line revenues in earnings reports and in all future COS rate cases, including such revenues from any telecommunications affiliates of the Company. The remaining 50% of all such incremental revenue over the annual amount of \$850,000 will be directly credited to the Company's Storm Fund account on an annual basis.

13. Sales of Properties

(A) Annual Report on Sales

By March 1 of each year during and after the Rate Freeze Period, the Company shall file an annual report with the Commission listing any properties that have been sold in the prior calendar year and indicating whether the property is classified as utility property or non-utility property, the total proceeds received, and any amounts applied to the Environmental Response Fund pursuant to Section 8(A). All Parties reserve their rights to make a claim to the Commission that all or a portion of any of the proceeds from specified sales, net of proceeds applied to the Environmental Response Fund, should be credited to customers. The Company

reserves its right to dispute any such claims.

(B) Notification to Attorney General and Division

Prior to marketing for sale any utility or non-utility real estate property owned by the Company with a net book value of \$250,000 or more, the Company shall file a confidential notification with the Division and the Attorney General, identifying the property that the Company is contemplating selling. Unless the Division and the Attorney General otherwise agree, the Company will not enter into a legally binding commitment to sell such property until thirty days after providing the notification.

14. Service Quality Standards

The Parties agree that the Service Quality Performance Standards set forth in Exhibit 11 shall apply until the Commission completes its review of Service Quality Performance Standards

in Docket No. 3628. The Parties also agree that for purposes of that review: the Company's
service quality performance shall be assessed annually on a calendar-year basis; any penalty
amounts that may accrue shall be credited to customers during the following year in a manner
approved by the Commission; the maximum annual penalty shall be \$2,200,000; the offset
mechanisms set forth on page 1 of Exhibit 11 shall be modified so as to apply only to
performance in the year they are earned; and the Service Quality Performance Standards shall
continue to be derived using historical performance through the end of the Rate Freeze Period.

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The Company shall file its annual Service Quality Report indicating its performance for the
respective calendar year by May 1 of the following year. The Parties reserve their rights to
propose modifications to the Commission at any time after the Rate Freeze Period or in the
Company's first rate case, including any rate case filed by the Company that seeks to change

rates on and after January 1, 2010. If at any time while the Service Quality Performance Standards are in effect, the Commission finds that there is a significant and persistent deterioration in service quality (after a hearing in which the Company has been provided the right to appear and present evidence), ~~the Company shall be required to file a remedial plan. If~~ after one year from such finding, the Commission finds that the Company has not carried out its remedial plan and, as a result, the significant and persistent problems with service quality have not been remediated, the Commission may suspend the right of the Company to retain a share of merger savings on a prospective basis until the Company demonstrates in a hearing before the Commission that service quality has returned at least to the levels that existed prior to the Rate Freeze Period.

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15. Line Extension Policies

Narragansett's Line Extension Policies shall be amended as set forth in Exhibit 2. The amended Line Extension Policies shall become effective on the Effective Date. Narragansett shall have the right to adjust or modify its Line Extension Policies during the Rate Freeze Period, upon approval by the Commission.

16. Backup or Supplemental Rates

(A) Redesign of Backup and Supplemental Rates

Narragansett has included revised backup and supplemental service rates, Rates B-32 and B-62, in Exhibit 2. The Parties agree that these rates shall become effective on the Effective Date, with the exception that the customers now served on Narragansett's Auxiliary Service Rate,

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shall be subject to a transition period that shall not commence until January 1, 2005.¹² The Parties also agree that together with Narragansett's other distribution service rates, Rates B-32 and B-62 fully comply with the requirements of G.L. 39-2-1.4(a) and (b), which become effective as of January 1, 2005. Specifically, the Parties agree that Rates B-32 and B-62, as set forth in Exhibit 2, are cost-based, just and reasonable, and not unduly discriminatory under G.L.

39-2-1.4(b), as applied to current backup service and Auxiliary Service Rate customers'

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circumstances, loads, and generation; provided, however, that nothing shall preclude

Narragansett or any Party from petitioning the Commission on the basis of G.L. 39-2-1.4(b) to

amend Rate B-32 or Rate B-62 due to changes in such circumstances, loads, and generation, or

based on data collected pursuant to this Section 16; and provided further that Narragansett and

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all other Parties reserve the right to oppose any such petition, and contend that the backup rates

as designed and applied to an individual customer or class of customers are cost-based, just and

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reasonable, and not unduly discriminatory. The Parties also agree that because these rates are

cost based, they are not discounted, and that the design of the rates is not based on considerations

of reduced environmental impacts, increased energy efficiency, reduced transmission losses and

congestion, effects on electric system reliability, and other factors that the Commission may

consider under G.L. 39-2-1.4(c). Therefore, any Party, individual customer or group of

customers shall be free to file to request a discounted rate or credit pursuant to G.L. 39-2-1.4(c),

any party shall be free to oppose that filing, and Narragansett shall be entitled to recover any

discounts or credits by comparing the revenues billed under any discounted rate or credit

structure that the Commission may approve with the revenues that would have been received by

¹² The Parties agree that the phase-in from the Auxiliary Service shall be implemented during the Rate Freeze Period by increasing the base distribution service rates of Auxiliary Service customers by the higher of five percent per year measured on a total bill basis or one-fifth of the price differential between the Auxiliary Service rate and the otherwise applicable tariff.

billing the customer under the otherwise applicable rate included in Exhibit 2 and recovering the deficiency through the rates assessed to all customers. The Company also commits to (i) participate actively in working groups or other similar collaborative efforts with PP&L and other interested parties (collectively, "DG Working Group") to examine the effects of distributed generation on distribution system operations and reliability, Company costs and revenues, and other factors within the purview of the Company, (ii) collect and report to the DG Working Group data necessary for the examination of such factors as may be determined by the DG Working Group, and (iii) cooperate with other DG Working Group members with respect to the collection of such data.

(B) Exemption for On-Site Renewable Generation

In recognition of the benefits that renewable energy resources may have, the Parties agree that on-site non-emergency Customer-Sited Generation Facilities, as defined in 2004 R.I. Pub. Laws chs. 199, 205 ("RPS Law"), powered by Eligible Renewable Energy Resources, as defined in the RPS Law, installed on Narragansett's system up to an aggregate nameplate capacity of 3 MW shall be exempt from the backup rates (except that customers may nonetheless elect to be subject to the backup rates). For purposes of determining whether the 3 MW limit has been met, on-site generation installations 25 kVA or smaller that are eligible for net metering shall not be included. Any customer installing an Eligible Renewable Energy Resource generation unit after the Effective Date under this exemption shall nevertheless be required to install metering pursuant to the backup service tariff on such unit that shall provide information on the operation of the generation unit, and which shall be in accordance with the Company's reasonable specifications. The Company shall report annually to the DG Working Group (or more

frequently if determined necessary or appropriate by the DG Working Group) on proposed or installed Customer-Sited Generation Facilities eligible for the exemption from backup rates. In the event that the 3 MW limit described above is met during the Rate Freeze Period, Narragansett will within one hundred twenty (120) days of the time the limit is met make a filing with the Commission indicating whether the aggregate installed capacity limit should be increased beyond 3 MW. Such filing shall, at a minimum, take into account information available from the initial Eligible Renewable Energy Resource generating units installed under the exemption and any other relevant factors. The Company shall consult with the Parties no less than 60 days prior to making the aforementioned filing. If Narragansett has not made such a filing in the time period specified above any other Party, following reasonable consultation with Narragansett, may make such a filing.

17. Low Income Protections

In addition to the redesign of the Company's low-income customer rate, Rate A-60, set forth in Exhibit 2, the Company agrees that it will "phase-out" the controlled water heater credit over the term of the Rate Freeze for Rate A-60 customers who are receiving the credit immediately prior to the Effective Date, rather than terminate the credit on the Effective Date. The Company also commits to participate actively in working groups or other similar collaborative efforts (collectively, the "Low Income Working Group") to examine whether the low income benefits that are being provided to Narragansett customers on Rate A-60 can be provided more effectively and efficiently (including without limitation by modifying the seasonality of the discounts and by concentrating the winter high usage discount on electric heating customers identified through administratively feasible means). The first meeting of the

Low Income Working Group shall occur approximately sixty (60) days following the Effective Date.

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18. Deferred Implementation

Pursuant to the ruling in *Providence Gas Co. v. Burke*, 475 A.2d 193 (R.I. 1984), Narragansett is not permitted to assess new rates that would result in an increase in bills to customers for consumption that occurred prior to the date of the Commission order approving such new rates. It is expected that the Settlement may result in a small increase in bills to a small number of customers, precluding a bills-rendered implementation of the new rates in the October 2004 billing month. As a result, the earliest Narragansett would be able to implement the rate changes provided under this Settlement, including the proposed distribution rate reduction and the Customer Credit, would be for the first billing cycle in November 2004, assuming Commission approval no later than September 28, 2004. In order to provide customers with the value that they would have seen had the Company been able to implement the proposed rate changes under the Settlement by the first billing cycle of October 2004, Narragansett agrees that if the Settlement is approved by the Commission on or before September 28, 2004, the Company shall determine the overall economic value that would have accrued to customers in the October billing month had the proposed distribution rate changes commenced in that month, and shall add this amount to the Customer Credit. Narragansett shall reflect any such adjustment in the Customer Credit as part of the reconciliation filing it is to make by May 1, 2005.

19. Other Provisions

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(A) This Settlement resolves all issues outstanding in the following dockets:

(i) Docket 2930, with respect to all matters, including but not limited to: the determination of Narragansett's shared savings amount, revenue neutral rate design, and shared earnings credit;

(ii) Docket ~~3616~~, regarding the recovery of uplift expenses; and

(iii) Docket 3610, regarding Narragansett's revenue neutral rate design filing.

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(B) If at any time during the term of this Settlement the Company becomes aware of a proceeding at the Securities and Exchange Commission or FERC that will change the allocations of costs among Narragansett and its affiliates, the Company will notify the Attorney General and the Division in writing or provide a copy of the notice to such proceedings.

(C) Unless expressly stated herein, the making of this Settlement establishes no principles and shall not be deemed to foreclose any Party from making any contention in any other proceeding or investigation.

(D) This Settlement is the product of settlement negotiations. The content of those negotiations is privileged and all offers of settlement shall be without prejudice to the position of any Party.

(E) This Settlement is submitted on the condition that it be approved in full by the Commission, and on the further condition that if the Commission does not approve the Settlement in its entirety, the Settlement shall be deemed withdrawn and shall not constitute a part of the record in any proceeding or be used for any purpose, unless all Parties agree to Commission modifications.

(F) The Parties recognize that the Commission has an ongoing obligation to modify rates to protect the public against improper and unreasonable rates that cannot be precluded by a

settlement agreement.

Respectfully submitted,

The Narragansett Electric Company
By its Attorneys

Thomas G. Robinson
Laura S. Olton

The Division of Public Utilities and Carriers
By its Attorney

Leo Wold
Special Assistant Attorney General

The Department of the Attorney General
By its Attorney

Paul Roberti
Assistant Attorney General

The Energy Council of Rhode Island
By its Executive Director

John Farley

Deleted: Roger Buck

United States Department of the Navy
By its Attorney

Audrey Vandyke

People's Power & Light
By its Executive Director

Erich G. Stephens

R.I.P.U.C. No. 1170

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$2.75
<u>Non-Bypassable Transition Charge per kWh</u>	0.855¢
<u>Transmission Charge per kWh</u>	0.436¢
<u>Transmission Adjustment Factor per kWh</u>	0.042¢
<u>Distribution Charge per kWh</u>	3.380¢ (Effective Date)
	3.379¢ (Eff. Jan 1, 2006)
	3.378¢ (Eff. Jan 1, 2007)
	3.377¢ (Eff. Jan 1, 2008)
	3.376¢ (Eff. Jan 1, 2009)
<u>Minimum Charge per month</u>	\$2.75
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. Jan. 1, 1997)
<u>Customer Credit per kWh</u>	0.329¢
<u>Customer Credit per kWh (former Rate A-32)</u>	0.820¢

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Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
BASIC RESIDENTIAL RATE (A-16)
RETAIL DELIVERY SERVICE

AVAILABILITY

Electric delivery service under this rate is available for all domestic purposes in an individual private dwelling or an individual private apartment. Service is also available for farm customers where all electricity is delivered by the Company.

The Company may under unusual circumstances permit more than one set of living quarters to be served through one metering installation under this rate, but if so, the Customer Charge shall be multiplied by the number of separate living quarters so served.

A church and adjacent buildings owned and operated by the church may be served under this rate, but any such buildings separated by public ways must be billed separately.

MONTHLY CHARGE

The Monthly Charge will be the sum of the applicable Retail Delivery Service Charges set forth in the cover sheet of this tariff.

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service.

**Deleted: CREDIT FOR
CONTROLLED WATER HEATING¶**

¶ If the Customer has installed an electric water heater of a type approved by the Company, and permits the Company to control the operation of the water heater for up to sixteen hours per day and during emergency situations, the Customer will receive a credit of 0.661 cents per kWh for the first 750 kWhs delivered per month. Only those Customers participating in the Company's Home Energy Management Program are eligible for credits under this provision¶

THE NARRAGANSETT ELECTRIC COMPANY
BASIC RESIDENTIAL RATE (A-16)
RETAIL DELIVERY SERVICE

Conservation and Load Management Adjustment

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Conservation and Load Management Adjustment Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff.

LAST RESORT SERVICE

Any Customer served under this rate who does not take its power supply from a non-regulated power producer and is ineligible for Standard Offer Service will receive Last Resort Service pursuant to the Last Resort Service tariff.

MINIMUM CHARGE

\$2.75 per month.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: Effective Date

THE NARRAGANSETT ELECTRIC COMPANY

Low Income Rate (A-60)

Retail Delivery Service

Effective

Effective Date

R.I.P.U.C. No. 1171

Monthly Charge As Adjusted

Rates for Retail Delivery ServiceNon-Bypassable Transition Charge per kWh 0.855¢Transmission Charge per kWh 0.338¢Transmission Adjustment Factor per kWh 0.042¢Distribution Charges per kWhDecember through MarchFirst ~~450~~ kWh 1.688¢~~Next 750~~ kWh 3.055¢kWhs in excess of ~~1200~~ kWh 2.548¢April through November

First 450 kWh 1.688¢

kWhs in excess of 450 kWh 3.055¢

Conservation and Load Management Adjustment per kWh 0.230¢ (Eff. January 1, 1997)Customer Credit per kWh 0.329¢Rates for Standard Offer Service or Last Resort Service (Optional)Standard Offer per kWh per Standard Offer Service tariffLast Resort per kWh per Last Resort Service tariff

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kWhs 3.382¢ (Eff.

January 1, 2007)¶

kWhs in excess of 500

kWhs 3.381¢ (Eff.

January 1, 2008)¶

kWhs in excess of 500

kWhs 3.380¢ (Eff.

January 1, 2009)¶

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
LOW INCOME RATE (A-60)
RETAIL DELIVERY SERVICE

AVAILABILITY

Service under this rate is available only to currently qualified customers for all domestic purposes in an individual private dwelling or an individual apartment, providing such customer meets both of the following criteria:

1. Must be the head of a household or principal wage earner.
2. Must be presently receiving Supplemental Security Income from the Social Security Administration, be eligible for the low-income home energy assistance program, or one of the following from the appropriate Rhode Island agencies: Medicaid, Food Stamps, General Public Assistance or Family Independence Program

It is the responsibility of the customer to annually certify, by forms provided by the Company, the continued compliance with the foregoing provisions.

The Company may under unusual circumstances permit more than one set of living quarters to be served through one meter under this rate, but if so, the kilowatt-hours eligible for the credit described below shall be multiplied by the number of separate living quarters so served.

MONTHLY CHARGE

The Monthly Charge will be the sum of the applicable Retail Delivery Service Charges set forth in the cover sheet of this tariff.

CREDIT FOR CONTROLLED WATER HEATING

~~Customers who were receiving the controlled water heater credit pursuant to the provisions of R.I.P.U.C. No. 1128 immediately prior to [the Effective Date], will receive a credit for the first 750 kWhs delivered per month. The credits received under this provision will decline each year according to the following schedule:~~

[Effective Date]	0.528¢ per kWh
January 2006	0.396¢ per kWh
January 2007	0.264¢ per kWh
January 2008	0.132¢ per kWh
January 2009	0.000¢ per kWh

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Deleted: has installed an electric water heater of a type approved by the Company, and permits the Company to control the operation of the water heater for up to sixteen hours per day and during emergency situations, the Customer

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RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision.

THE NARRAGANSETT ELECTRIC COMPANY
LOW INCOME RATE (A-60)
RETAIL DELIVERY SERVICE

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service

Conservation and Load Management Adjustment

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Conservation and Load Management Adjustment Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff.

LAST RESORT SERVICE

Any Customer served under this rate who does not take its power supply from a non-regulated power producer and is ineligible for Standard Offer Service will receive Last Resort Service pursuant to the Last Resort Service tariff.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: Effective Date

THE NARRAGANSETT ELECTRIC COMPANY
C&I Back-Up Service Rate (B-32)
Retail Delivery Service

Effective
Effective Date

R.I.P.U.C. No. 1172

Monthly Charge As Adjusted

	<u>Rates for Back-Up Service</u>	<u>Rates for Supplemental Service</u>
<u>Rates for Retail Delivery Service</u>		
<u>Customer Charge per month</u>	\$236.43	n/a
<u>Transmission Demand Charge per kW</u>	n/a	\$1.27
<u>Distribution Demand Charge per kW</u>	\$5.33	\$2.10 (EffectiveDate)
	\$5.15	\$2.02 (Eff. January 1, 2006)
	\$5.13	\$2.01 (Eff. January 1, 2007)
	\$5.12	\$2.00 (Eff. January 1, 2008)
	\$5.11	\$1.99 (Eff. January 1, 2009)

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Distribution Demand Charge per kW (Applicable to former Auxiliary Service Customers)

	\$1.05	\$2.10 (Effective Date)
	\$2.07	\$2.02 (Eff. January 1, 2006)
	\$3.09	\$2.01 (Eff. January 1, 2007)
	\$4.11	\$2.00 (Eff. January 1, 2008)
	\$5.11	\$1.99 (Eff. January 1, 2009)

Transmission Adjustment Factor per kWh n/a 0.042¢

Distribution Energy Charge per kWh n/a 0.889¢

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Non-bypassable Transition Charge per kWh n/a 0.855¢

C&LM Adjustment per kWh n/a 0.230¢

Customer Credit per kWh n/a 0.231¢

Rates for Standard Offer Service or Last Resort Service (Optional)

Standard Offer per kWh n/a per Standard Offer Service tariff

Last Resort per kWh n/a per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

AVAILABILITY

This service shall apply to Customers in the class identified below:

- (i) who receive all or any portion of their electric supply from non-emergency generation unit(s) with a nameplate rating greater than 30 kW ("Generation Units"), where electricity received by the Customer from the Generation Units is not being delivered over Company-owned distribution facilities pursuant to an applicable retail delivery tariff, and
- (ii) who expect the Company to provide retail delivery service to supply the Customer's load at the service location when the Generation Units are not supplying all of that load.

Electric delivery service under this rate is applicable to customers with a ~~facility demand of 25~~ kilowatts or more. Notwithstanding the foregoing, the Company may require any customer with a 12-month average Demand greater than 3,000 kW at its facility to take service on the 3,000 kW Demand Back-up Service Rate B-62 (subject to the settlement provisions in Docket No. 2290).

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All Customers served on this rate must elect to take their total electric delivery service under the metering installation as approved by the Company

EXEMPTION FOR RENEWABLE ON-SITE GENERATION

Customers who install on-site non-emergency generating units powered by Eligible Renewable Energy Resources, as defined in 2004 R.I. Pub. Laws 205 up to an aggregate nameplate capacity of 3 MW for all customers having installed such generation shall be exempt from the backup rates.

Deleted: This tariff shall not apply to customers with a contracted demand of 25 kVA or less.¶

TYPES OF SERVICE

"Back-Up" Retail Delivery Service consists of the Company standing ready to provide retail delivery service to the Customer's load when a non-emergency generator that supplies electricity to the Customer without using Company-owned distribution facilities does not supply all of the Customer's load.

"Supplemental" Retail Delivery Service is the delivery over Company-owned distribution facilities of electricity which is utilized at the Customer's facilities.

MONTHLY CHARGE

The Monthly Charge will be the sum of the Back-Up Service Charges, and the Supplemental Service Charges, as stated below

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

DETERMINATION OF BILLING DEMAND FOR BILLING SUPPLEMENTAL AND BACK-UP DEMAND CHARGES

The Billing Demand for each month for purposes of billing Back-Up and Supplemental Service shall be the greatest of the following:

- 1) The greatest fifteen-minute peak coincident demand of the generation meter(s) plus the demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kW;
- 2) Through the billing month of December 2005, 80% of the greatest fifteen-minute peak coincident demand of the generation meter(s) plus the demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kilovolt-amperes, and 90% thereafter;
- 3) 75% of the greatest Demand as so determined above during the preceding eleven months.

BACK-UP RETAIL DELIVERY SERVICE

a) Rates for Back-Up Retail Delivery Service

Customer Charge per month see cover sheet

Distribution Charge per kW see cover sheet

b) Determination of Back-Up Service Kilowatt Demand

The Back-Up Service Demand shall be the greater of 1) the fifteen-minute reading from the Customer's generation meter as measured in kilowatts or 2) through the billing month of December 2005, 80% of the fifteen-minute reading from the Customer's generation meter as measured in kilovoltamperes, and 90% thereafter as measured at the time of the Billing Demand.

c) Installation of Meters on Generation

The Customer shall permit the Company to install meter(s) on the Generation Units providing electricity to the Customer, for purposes of billing under the terms of this rate. The meter shall be in accordance with the Company's reasonable specifications. The Customer will reimburse the Company for the installed cost of the meter and any associated equipment. The Customer shall provide reasonable access to the Company during normal business hours to read such meter in order to bill the Customer for service under this rate.

PEAK AND OFF-PEAK PERIODS

PEAK HOURS: June - September -- 8 a.m. - 10 p.m. Weekdays,
December - February -- 7 a.m. - 10 p.m. Weekdays
October - November and
March - May -- 8 a.m. - 9 p.m. Weekdays

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

OFF-PEAK HOURS: All other hours

Weekdays shall mean Monday through Friday, excluding the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Columbus Day (observed), Labor Day, Veterans Day, Thanksgiving Day and Christmas Day.

SUPPLEMENTAL RETAIL DELIVERY SERVICE

a) Rates for Supplemental Retail Delivery Service

<u>Transmission Charge per kW</u>	see cover sheet
<u>Distribution Charge per kW</u>	see cover sheet
<u>Distribution Charge per kWh</u>	see cover sheet
<u>Non-Bypassable Transition Charge per kWh</u>	see cover sheet

b) Assessment of Kilowatthour Charges

For purposes of billing kWh charges for Supplemental Retail Delivery Service, Customers will be billed on the greater of (i) the actual kWh delivered by the Company or (ii) through the billing month of December 2005, 80% of the actual kVAh delivered, and 90% thereafter, less generated kWh usage.

For purposes of billing kWh charges for Standard Offer Service or Last Resort Power Service, Customers will be billed on actual kWh delivered by the Company.

c) Determination of Kilowatt Demand

The Supplemental Service Demand for each month shall be the Billing Demand in excess of the Back-up Service Demand.

OPTIONAL DETERMINATION OF DEMAND

A Customer who has been served under this rate for one year or more may upon written request have the Demand for each month used for Supplemental Service be based upon the greatest of items (1) and (2) set forth above for Billing Demand, beginning with the next month after such request and running for a period of not less than two consecutive months. In such case, all charges for Supplemental Service will be increased by 20% during any such period.

In addition, the Company may, at its discretion, agree to a lower demand determination for Back-Up Service below fifteen-minute peak coincident demand of the generation meter(s) if a Customer has installed equipment or configured its facilities in such a manner that automatically limits the requirement for Back-Up Service to the lower agreed-upon demand. Under such a situation, the Customer must demonstrate to the Company's reasonable satisfaction that the Customer's facilities are configured so as to limit the demand that can be placed on the distribution system, or must install and maintain, at no cost to the Company, an automated demand limiter or other

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

similar device as agreed to by the Company which limits deliveries to the Customer over the Company's distribution system based on the lower agreed-upon demand. This equipment can not adversely affect the operation of the Company's distribution system or service to other customers. Such interruptible Back-Up Service shall be negotiated by the Customer and the Company under a separate contract which shall be specific to an individual customer's circumstances.

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Conservation and Load Management Adjustment

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Conservation and Load Management Adjustment Provision as from time to time effective in accordance with law. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

LAST RESORT SERVICE

Any Customer served under this rate who does not take its power supply from a non-regulated power producer and is ineligible for Standard Offer Service will receive Last Resort Service pursuant to the Last Resort Service tariff. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

CREDIT FOR HIGH VOLTAGE DELIVERY

If the Customer takes delivery at the Company's supply line voltage, not less than 2400 volts, and the Company is saved the cost of installing any transformer and associated equipment, a credit of 37 cents per kilowatt of billing demand for such month shall be allowed against the amount determined under the preceding provisions.

An additional credit of \$2.41 per kilowatt of the billing demand for such month shall also be allowed if the Customer accepts delivery at not less than 115,000 volts, and the Company is saved the cost of installing any transformer and associated equipment.

The total amount of the credit allowed under this provision shall not exceed the sum of the Customer Charge, the Distribution Demand Charge and the Distribution kWh Charge.

HIGH-VOLTAGE METERING ADJUSTMENT

The Company reserves the right to determine the metering installation. Where service is metered at the Company's supply line voltage, in no case less than 2400 volts, thereby saving the Company transformer losses, a discount of 1% will be allowed from the amount determined under the preceding provisions.

SECOND FEEDER SERVICE

Except as provided below, Customers receiving second feeder service shall pay \$2.41 per 80% of KVA (through the billing month of December 2005; 90% of KVA thereafter) of reserved second feeder capability. The charge for second feeder capability shall apply only to Customers with second feeder capability installed on or after May 1, 1998. The charge for second feeder capability shall not apply to Customers taking service within the Capital Center of Providence or within the downtown Providence underground network system. The Company's Construction Advance Policy 3 shall apply to determine any advance contribution by the customer, using an estimate of revenues to be derived from this second feeder rate. The Company reserves the right to decline second feeder service for engineering reasons.

An additional \$0.37 per 80% of KVA (through the billing month of December 2005; 90% thereafter) of reserved second feeder capability shall be charged if an additional transformer is required at the Customer's facility.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

THE NARRAGANSETT ELECTRIC COMPANY
C&I BACK-UP SERVICE RATE (B-32)
RETAIL DELIVERY SERVICE

GROSS EARNINGS TAX CREDIT FOR MANUFACTURERS

Consistent with the gross receipts tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be exempt from the Gross Earnings Tax to the extent allowed by the Division of Taxation.

Eligible manufacturing customers are those customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30(H) of Rhode Island General Laws) indicating the customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a customer, the customer will be required to reimburse the Company in the amount of the credits provided to such customer which were disallowed, including any interest required to be paid by the Company to such authority.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: Effective Date

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW Back-Up Service Rate (B-62)
Retail Delivery Service

Effective
Effective Date

R.I.P.U.C. No. 1173

Monthly Charge As Adjusted

	Rates for <u>Back-Up Service</u>	Rates for <u>Supplemental Service</u>
<u>Rates for Retail Delivery Service</u>		
<u>Customer Charge per month</u>	\$17,118.72	n/a
<u>Distribution Demand Charge per kW</u>	\$2.34	\$2.34 (EffectiveDate)
	\$2.26	\$2.26 (Eff. January 1, 2006)
	\$2.25	\$2.25 (Eff. January 1, 2007)
	\$2.24	\$2.24 (Eff. January 1, 2008)
	\$2.22	\$2.22 (Eff. January 1, 2009)
<u>Distribution Demand Charge per kW (Applicable to former Auxiliary Service Customers)</u>		
	\$0.45	\$2.34 (Effective Date)
	\$0.89	\$2.26 (Eff. January 1, 2006)
	\$1.33	\$2.25 (Eff. January 1, 2007)
	\$1.77	\$2.24 (Eff. January 1, 2008)
	\$2.22	\$2.22 (Eff. January 1, 2009)
<u>Transmission Demand Charge per kW</u>	n/a	\$1.39
<u>Transmission Adjustment Factor per kWh</u>	n/a	0.042¢
<u>Non-bypassable Transition Charge per kWh</u>	n/a	0.855¢
<u>C&LM Adjustment per kWh</u>	n/a	0.230¢
<u>Customer Credit per kWh</u>	n/a	0.212¢
<u>Rates for Standard Offer Service or Last Resort Service (Optional)</u>		
<u>Standard Offer per kWh</u>	n/a	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	n/a	per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

AVAILABILITY

This service shall apply to Customers in the class identified below:

- (i) who receive all or any portion of their electric supply from non-emergency generation unit(s) with a nameplate rating greater than 30 kW ("Generation Units"), where electricity received by the Customer from the Generation Units is not being delivered over Company-owned distribution facilities pursuant to an applicable retail delivery tariff, and
- (ii) who expect the Company to provide retail delivery service to supply the Customer's load at the service location when the Generation Units are not supplying all of that load.

Electric delivery service under this rate is applicable to those Customers who would otherwise be served under the Company's 3,000 kW Demand Rate G-62 if the Generation Units were not supplying electricity to the Customer.

Deleted: This tariff shall not apply to customers with a contracted demand of 25 kVA or less

All Customers served on this rate must elect to take their total electric delivery service under the metering installation as approved by the Company.

EXEMPTION FOR RENEWABLE ON-SITE GENERATION

Customers who install on-site non-emergency generating units powered by Eligible Renewable Energy Resources, as defined in 2004 R.I. Pub. Laws 205 up to an aggregate nameplate capacity of 3 MW for all customer having installed such generation shall be exempt from the backup rates.

TYPES OF SERVICE

"Back-Up" Retail Delivery Service consists of the Company standing ready to provide retail delivery service to the Customer's load when a non-emergency generator that supplies electricity to the Customer without using Company-owned distribution facilities does not supply all of the Customer's load.

"Supplemental" Retail Delivery Service is the delivery over Company-owned distribution facilities of electricity which is utilized at the Customer's facilities.

MONTHLY CHARGE

The Monthly Charge will be the sum of the Back-Up Service Charges, and the Supplemental Service Charges, as stated below.

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

**DETERMINATION OF BILLING DEMAND FOR BILLING SUPPLEMENTAL AND BACK-UP
DEMAND CHARGES**

The Billing Demand for each month for purposes of billing Back-Up and Supplemental Service shall be the greatest of the following:

- 1) The greatest fifteen-minute peak coincident demand of the generation meter(s) plus the demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kW;
- 2) Through the billing month of December 2005, 80% of the greatest fifteen-minute peak coincident demand of the generation meter(s) plus the demand from the meter(s) at the Customer's service entrance(s) occurring in such month during Peak hours as measured in kilovolt-amperes, and 90% thereafter;
- 3) 75% of the greatest Demand as so determined above during the preceding eleven months.

BACK-UP RETAIL DELIVERY SERVICE

a) Rates for Back-Up Retail Delivery Service

Customer Charge per month see cover sheet

Distribution Charge per kW see cover sheet

b) Determination of Back-Up Service Kilowatt Demand

The Back-Up Service Demand shall be the greater of 1) the fifteen-minute reading from the Customer's generation meter as measured in kilowatts or 2) through the billing month of December 2005, 80% of the fifteen-minute reading from the Customer's generation meter as measured in kilovoltampers, and 90% thereafter, as measured at the time of the Billing Demand.

c) Installation of Meters on Generation

The Customer shall permit the Company to install meter(s) on the Generation Units providing electricity to the Customer, for purposes of billing under the terms of this rate. The meter shall be in accordance with the Company's reasonable specifications. The Customer will reimburse the Company for the installed cost of the meter and any associated equipment. The Customer shall provide reasonable access to the Company during normal business hours to read such meter in order to bill the Customer for service under this rate.

Deleted: Determination of Kilowatt Demand

PEAK AND OFF-PEAK PERIODS:

PEAK HOURS:	June - September	-- 8 a.m. - 10 p.m. Weekdays,
	December - February	-- 7 a.m. - 10 p.m. Weekdays
	October - November and	
	March - May	-- 8 a.m. - 9 p.m. Weekdays

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

OFF-PEAK HOURS: All other hours

Weekdays shall mean Monday through Friday, excluding the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Columbus Day (observed), Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day.

SUPPLEMENTAL RETAIL DELIVERY SERVICE

a) Rates for Supplemental Retail Delivery Service

<u>Transmission Charge per kW</u>	see cover sheet
<u>Distribution Charge per kW</u>	see cover sheet
<u>Distribution Charge per kWh</u>	see cover sheet
<u>Non-Bypassable Transition Charge per kWh</u>	see cover sheet

b) Assessment of Kilowatthour Charges

For purposes of billing kWh charges for Supplemental Retail Delivery Service, Customers will be billed on the greater of (i) the actual kWh delivered by the Company or (ii) ~~through the billing month of December 2005, 80% of the actual kVAh delivered, and 90% thereafter, less generated kWh usage.~~

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For purposes of billing kWh charges for Standard Offer Service or Last Resort Power Service, Customers will be billed on actual kWh delivered by the Company.

c) Determination of Supplemental Service Kilowatt Demand

The Supplemental Service Demand for each month shall be the Billing Demand in excess of the Back-Up Service Demand.

OPTIONAL DETERMINATION OF DEMAND

A Customer who has been served under this rate for one year or more may upon written request have the Demand for each month used for Supplemental Service be based upon the greatest of items (1) and (2) set forth above for Billing Demand, beginning with the next month after such request and running for a period of not less than two consecutive months. In such case, all charges for Supplemental Service will be increased by 20% during any such period.

In addition, the Company may, at its discretion, agree to a lower demand determination for Back-Up Service below fifteen-minute peak coincident demand of the generation meter(s) if a Customer has installed equipment or configured its facilities in such a manner that automatically limits the requirement for Back-Up Service to the lower agreed-upon demand. Under such a situation, the Customer must demonstrate to the Company's reasonable satisfaction that the Customer's facilities are configured so as to limit the demand that can be placed on the distribution system, or must install and maintain, at no cost to the Company, an automated demand limiter or other similar device as agreed to by the Company which limits deliveries to the Customer over the Company's

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

distribution system based on the lower agreed-upon demand. This equipment can not adversely affect the operation of the Company's distribution system or service to other customers. Such interruptible Back-Up Service shall be negotiated by the Customer and the Company under a separate contract which shall be specific to an individual customer's circumstances.

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Conservation and Load Management Adjustment

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Conservation and Load Management Adjustment Provision as from time to time effective in accordance with law. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

LAST RESORT SERVICE

Any Customer served under this rate who does not take its power supply from a non-regulated power producer and is ineligible for Standard Offer Service will receive Last Resort Service pursuant to the Last Resort Service tariff. This provision shall not apply for Back-Up Retail Delivery Service and shall only apply to Supplemental Retail Delivery Service.

CREDIT FOR HIGH VOLTAGE DELIVERY

If the Customer takes delivery at the Company's supply line voltage, not less than 2400 volts, and the Company is saved the cost of installing any transformer and associated equipment, a credit of 37 cents per kilowatt of billing demand for such month shall be allowed against the amount determined under the preceding provisions.

An additional credit of \$2.41 per kilowatt of the billing demand for such month shall also be allowed if the Customer accepts delivery at not less than 115,000 volts, and the Company is saved the cost of installing any transformer and associated equipment.

The total amount of the credit allowed under this provision shall not exceed the sum of the Customer Charge, the Distribution Demand Charge and the Distribution kWh Charge.

HIGH-VOLTAGE METERING ADJUSTMENT

The Company reserves the right to determine the metering installation. Where service is metered at the Company's supply line voltage, in no case less than 2400 volts, thereby saving the Company transformer losses, a discount of 1% will be allowed from the amount determined under the preceding provisions.

SECOND FEEDER SERVICE

Except as provided below, Customers receiving second feeder service shall pay \$2.41 per 80% of KVA (through the billing month of December 2005; 90% thereafter) of reserved second feeder capability. The charge for second feeder capability shall apply only to Customers with second feeder capability installed on or after May 1, 1998. The charge for second feeder capability shall not apply to Customers taking service within the Capital Center of Providence or within the downtown Providence underground network system. The Company's Construction Advance Policy ~~3~~ shall apply to determine any advance contribution by the customer, using an estimate of revenues to be derived from this second feeder rate. The Company reserves the right to decline second feeder service for engineering reasons.

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An additional \$0.37 per 80% of KVA (through the billing month of December 2005; 90% thereafter) of reserved second feeder capability shall be charged if an additional transformer is required at the Customer's facility.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

THE NARRAGANSETT ELECTRIC COMPANY
3,000 kW DEMAND BACK-UP SERVICE RATE (B-62)
RETAIL DELIVERY SERVICE

GROSS EARNINGS TAX CREDIT FOR MANUFACTURERS

Consistent with the gross receipts tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be exempt from the Gross Earnings Tax to the extent allowed by the Division of Taxation.

Eligible manufacturing customers are those customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30(H) of Rhode Island General Laws) indicating the customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a customer, the customer will be required to reimburse the Company in the amount of the credits provided to such customer which were disallowed, including any interest required to be paid by the Company to such authority.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: Effective Date

THE NARRAGANSETT ELECTRIC COMPANY
Small C&I Rate (C-06)
Retail Delivery Service

Effective
Effective Date

R.I.P.U.C. No. 1174

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$6.00
<u>Unmetered Charge per month</u>	\$1.83
<u>Non-Bypassable Transition Charge per kWh</u>	0.855¢
<u>Transmission Charge per kWh</u>	0.536¢
<u>Transmission Adjustment Factor per kWh</u>	0.042¢
<u>Distribution Charge per kWh</u>	3.6 62 ¢ (Effective Date) 3.6 52 ¢ (Eff. January 1, 2006) 3.6 43 ¢ (Eff. January 1, 2007) 3.6 34 ¢ (Eff. January 1, 2008) 3.6 24 ¢ (Eff. January 1, 2009)
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. January 1, 1997)
<u>Customer Credit per kWh</u>	0.365¢

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Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
SMALL C&I RATE (C-06)
RETAIL DELIVERY SERVICE

AVAILABILITY

Electric delivery service under this rate is available for all purposes. If electricity is delivered through more than one meter, except at the Company's option, the Monthly Charge for service through each meter shall be computed separately under this rate. Notwithstanding the foregoing, the Company may require any customer with a 12-month average demand greater than 200 kW to take service on the 200 kW Demand Rate G-32.

MONTHLY CHARGE

The Monthly Charge will be the sum of the applicable Retail Delivery Service Charges set forth in the cover sheet of this tariff.

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service.

Conservation and Load Management Adjustment

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Conservation and Load Management Adjustment Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff.

THE NARRAGANSETT ELECTRIC COMPANY
SMALL C&I RATE (C-06)
RETAIL DELIVERY SERVICE

LAST RESORT SERVICE

Any Customer served under this rate who does not take its power supply from a non-regulated power producer and is ineligible for Standard Offer Service will receive Last Resort Service pursuant to the Last Resort Service tariff.

MINIMUM CHARGE

Metered Service:	\$6.00 per month.
Unmetered Service:	\$1.83 per month.

However, if the kVA transformer capacity needed to serve a customer exceeds 25 kVA, the minimum charge will be increased by \$1.68 for each kVA in excess of 25 kVA.

UNMETERED ELECTRIC SERVICE

Unmetered services are usually not permitted or desirable. However, the Company recognizes that there are certain instances where metering is not practical. Examples of such locations are telephone booths and fire box lights. The monthly bill will be computed by applying the rate schedule to a use determined by multiplying the total load in kilowatts by 730 hours. However, the energy use may be adjusted after tests of the unmetered equipment indicate lesser usage. When unmetered service is provided the aforesaid customer charge will be waived and a \$1.83 per month per location service charge will be implemented.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

GROSS EARNINGS TAX CREDIT FOR MANUFACTURERS

Consistent with the gross receipts tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be exempt from the Gross Earnings Tax to the extent allowed by the Division of Taxation.

Eligible manufacturing customers are those customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30(H) of Rhode Island General Laws) indicating the customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a customer, the customer will be required to reimburse the Company in the amount of the credits provided to such customer which were disallowed, including any interest required to be paid by the Company to such authority.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: Effective Date

THE NARRAGANSETT ELECTRIC COMPANY
Residential Storage Heating Rate (E-30)
Retail Delivery Service

Effective
Effective Date

R.I.P.U.C. No. 1175

Monthly Charge As Adjusted

Rates for Retail Delivery Service

Customer Charge per month \$2.75

Non-Bypassable Transition Charge per kWh 0.855¢

Transmission Charge per kWh 0.261¢

Transmission Adjustment Factor per kWh 0.042¢

Distribution Charge per kWh 1.94~~1~~¢ (Effective Date)
2.30~~0~~¢ (Eff. January 1, 2006)
2.6~~58~~¢ (Eff. January 1, 2007)
3.0~~17~~¢ (Eff. January 1, 2008)
3.3~~76~~¢ (Eff. January 1, 2009)

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Conservation and Load Management Adjustment per kWh 0.230¢ (Eff. January 1, 1997)

Customer Credit per kWh 0.329¢

Rates for Standard Offer Service or Last Resort Service (Optional)

Standard Offer per kWh per Standard Offer Service tariff

Last Resort per kWh per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
RESIDENTIAL STORAGE HEATING RATE (E-30)
RETAIL DELIVERY SERVICE

AVAILABILITY

The availability of this rate is limited to the following customers: those who were served under Limited Residential Service - Storage Heating (E-01) on July 1, 1990 and have continuously been served under the Storage Heating Rate and successor rate since that date. Effective during the billing month of January 2009, all customers served under this Rate Schedule will be transferred to Basic Residential Rate A-16 and the provisions of this tariff will no longer be in effect.

CONDITIONS

1. The Customer agrees to install a controlled electric heat storage system and controlled domestic storage electric water heating equipment.
2. The Company will install the metering equipment as well as the control contacts and time clock necessary to synchronize control of the electric heat storage system and the electric storage water heating equipment.
3. The Customer agrees to install separate control systems for the storage heating system and the water heating equipment necessary to properly utilize the time signals to be provided through the Company's equipment as described in 2. These control systems may impose a load of no more than 60 volt-amperes, at currents under 2 amperes and voltages between 24-120 volts, on the Company's control contacts.
4. The Customer agrees to maintain the electric heat storage system, customer owned water heating equipment, and the customer-installed control system in accordance with manufacturers recommended operating practices.
5. The Company reserves the right to restrict the operation of the electric storage heating system and the electric storage water heating equipment to the off-peak hours.
6. From Monday through Friday there will be 13 peak hours and 11 off-peak hours each day. At present, peak hours will be from 8:00 a.m. to 9:00 p.m. Eastern Standard Time daily Monday through Friday. Off-peak hours will be from 9:00 p.m. to 8:00 a.m. Eastern Standard Time daily Monday through Friday, and all day on Saturdays and Sundays and the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Columbus Day (observed), Labor Day, Veteran's Day, Thanksgiving Day, and Christmas Day.

During Daylight Savings Time, the above hours will be:

Peak Hours	9:00 a.m. to 10:00 p.m.
Off-Peak Hours	10:00 p.m. to 9:00 a.m.

The Company reserves the right to change these peak and off-peak hours but in no case will the off-peak hours be limited to less than eleven hours per day.

THE NARRAGANSETT ELECTRIC COMPANY
RESIDENTIAL STORAGE HEATING RATE (E-30)
RETAIL DELIVERY SERVICE

7. All water heaters installed under this agreement shall have a storage capacity of 100 gallons or greater for individual private dwellings or 80 gallons or greater for private apartments and be of a type approved by the Company. At the Company's option, smaller tanks may be permitted in unusual circumstances.
8. The dwelling must comply with the following minimum insulation and ventilation standards:
- a) R 38 insulation in ceiling
 - b) Walls with thermal resistance equivalent to R 19*
 - c) R 19 insulation in floor
 - d) 4 mil vapor barrier on walls*
 - e) Extra water heating insulation if in an unconditioned space
 - f) Double glazing
 - g) Storm or thermal doors
 - h) All windows and door frames caulked
 - i) At least 1" thickness of duct insulation for central electric storage heating systems
 - j) Ventilation:
 - (1) One square foot of net free vent area for each 150 square feet of ceiling area
 - (2) Each bathroom and kitchen should be equipped with an exhaust fan with positive closing damper vented to the outside.

*In existing homes R 13 wall insulation will be acceptable and no vapor barrier will be required.

MONTHLY CHARGE

The Monthly Charge will be the sum of the applicable Retail Delivery Service Charges set forth in the cover sheet of this tariff.

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision.

THE NARRAGANSETT ELECTRIC COMPANY
RESIDENTIAL STORAGE HEATING RATE (E-30)
RETAIL DELIVERY SERVICE

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service.

Conservation and Load Management Adjustment

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Conservation and Load Management Adjustment Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff.

LAST RESORT SERVICE

Any Customer served under this rate who does not take its power supply from a non-regulated power producer and is ineligible for Standard Offer Service will receive Last Resort Service pursuant to the Last Resort Service tariff.

MINIMUM CHARGE

The monthly minimum charge shall be the sum of the monthly Customer Charge.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: Effective Date

THE NARRAGANSETT ELECTRIC COMPANY
Storage Cooling Rate (E-40)
Retail Delivery Service

Effective
Effective Date

R.I.P.U.C. No. 1190

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Monthly Charge As Adjusted

Rates for Retail Delivery Service

Customer Charge per month \$75.15

Non-Bypassable Transition Charge per kWh 0.855¢

Transmission Charge per kWh 0.141¢

Transmission Adjustment Factor per kWh 0.042¢

Distribution Charge per kWh 2.536¢

Peak/Shoulder 2.536¢

Off Peak 0.949¢

Conservation and Load Management Adjustment per kWh 0.230¢ (Eff. Jan. 1, 1997)

Customer Credit per kWh 0.231¢

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Rates for Standard Offer Service or Last Resort Service (Optional)

Standard Offer per kWh per Standard Offer Service tariff

Last Resort per kWh per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Deleted: * In addition to base distribution charge, this charge also includes (0.38¢) per kWh for Rate Settlement credit.*

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
STORAGE COOLING RATE (E-40)
RETAIL DELIVERY SERVICE

AVAILABILITY

Electric Delivery Service under this rate is available to any customer solely for use in operating a full storage air conditioning system. A full storage air conditioning system is designed so that no operation of the chiller or compressor will be required for a period of six consecutive hours between the hours of 9 a.m. and 6 p.m. during the summer months of June through September. The chilling plant of the cooling system shall be separately wired and metered. The remainder of the customer's service shall be taken under another available rate.

If electricity is delivered through more than one meter, except at the Company's option, the Monthly Charge for service through each meter will be computed separately under this rate.

This rate is closed to new customers on [the Effective Date]. Customers presently receiving service under this rate immediately prior to [the Effective Date] may remain on the rate through the billing month of December 2006. Customers may transfer to another applicable rate at any time prior to December 2006, however, costs associated with rewiring and metering the customer's service will be borne by the customer in that event. Effective after the bills issued to customer during December 2006, all customers remaining on this rate will be transferred to the appropriate general service rate.

MONTHLY CHARGE

The Monthly Charge will be the sum of the Retail Delivery Service Charges set forth in the cover sheet of this tariff.

PEAK AND OFF-PEAK PERIODS

PEAK HOURS: June - September -- ~~8~~ a.m. - ~~10~~ p.m. Weekdays,
(or such other period of six consecutive hours between the hours of 9 a.m. and 6 p.m. as shall be designated by the Company in writing upon 30 days advance notice)

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December - February -- ~~7~~ a.m. - ~~10~~ p.m. Weekdays

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October - November

March - May -- 8 a.m. - 9 p.m. Week

OFF-PEAK HOURS: All other hours

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SHOULDER HOURS: June - September -- 8 a.m. - 10 p.m. Weekdays excluding all Peak Hours¶
¶
December - February -- 7 a.m. - 8 a.m., 8 p.m. - 10 p.m. Weekdays¶
¶
October - November¶
March - May -- 8 a.m. - 9 p.m. Weekdays¶
¶

Weekdays shall mean Monday through Friday, excluding the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Columbus Day (observed), Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day.

THE NARRAGANSETT ELECTRIC COMPANY
STORAGE COOLING RATE (E-40)
RETAIL DELIVERY SERVICE

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under “Monthly Charge” may be adjusted from time to time in the manner described in the Company’s Transmission Service Cost Adjustment Provision.

Transition Charge Adjustment

The prices under this rate as set forth under “Monthly Charge” may be adjusted from time to time in the manner described in the Company’s Non-Bypassable Transition Charge Adjustment Provision.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company’s Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service.

Conservation and Load Management Adjustment

The amount determined under the preceding provisions shall be adjusted in accordance with the Company’s Conservation and Load Management Adjustment Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company’s Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff.

LAST RESORT SERVICE

Any Customer served under this rate who does not take its power supply from a non-regulated power producer and is ineligible for Standard Offer Service will receive Last Resort Service pursuant to the Last Resort Service tariff.

THE NARRAGANSETT ELECTRIC COMPANY
STORAGE COOLING RATE (E-40)
RETAIL DELIVERY SERVICE

MINIMUM CHARGE

The minimum charge each month shall be the Customer Charge.

HIGH-VOLTAGE METERING ADJUSTMENT

The Company reserves the right to determine the metering installation. Where service is metered at the Company's supply line voltage, in no case less than 2400 volts, thereby saving the Company transformer losses, a discount of 1% will be allowed from the amount determined under the preceding provisions.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

GROSS EARNINGS TAX CREDIT FOR MANUFACTURERS

Consistent with the gross receipts tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be exempt from Gross Earnings Tax to the extent allowed by the Division of Taxation.

Eligible manufacturing customers are those customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30(H) of Rhode Island General Laws) indicating the customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a customer, the customer will be required to reimburse the Company in the amount of the credits provided to such customer which were disallowed, including any interest required to be paid by the Company to such authority.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: Effective Date

THE NARRAGANSETT ELECTRIC COMPANY
General C&I Rate (G-02)
Retail Delivery Service

Effective
Effective Date

R.I.P.U.C. No. 1176

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$103.41
<u>Transmission Charge per kW in excess of 10 kW</u>	\$1.40
<u>Distribution Charge per kW in excess of 10 kW</u>	\$3.23 (Eff. Effective Date) \$3.22 (Eff. January 1, 2006)
<u>Non-Bypassable Transition Charge per kWh</u>	0.855¢
<u>Transmission Adjustment Factor per kWh</u>	0.042¢
<u>Distribution Charge per kWh</u>	0.777¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. January 1, 1997)
<u>Customer Credit per kWh</u>	0.277¢

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes. However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
GENERAL C&I RATE (G-02)
RETAIL DELIVERY SERVICE

AVAILABILITY

Electric delivery service under this rate is available for all purposes to customers with a Demand of 10 kilowatts or more. If electricity is delivered through more than one meter, except at the Company's option, the Monthly Charge for service through each meter shall be computed separately under this rate. Notwithstanding the foregoing, the Company may require any customer with a 12-month average Demand greater than 200 kW to take service on the 200 kW Demand Rate G-32.

This rate is also available to customers who install on-site non-emergency generating units powered by Eligible Renewable Energy Resources, as defined in 2004 R.I. Pub. Laws 205 up to an aggregate nameplate capacity of 3 MW for all customers having installed such generation and are therefore exempt from the backup service rates. However, any customer exempted from the backup service rates under this provision shall nevertheless be required to install metering pursuant to the backup service tariff that shall provide information on the operation of the generation unit.

MONTHLY CHARGE

The Monthly Charge will be the sum of the Retail Delivery Service Charges set forth in the cover sheet of this tariff.

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service.

Conservation and Load Management Adjustment

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Conservation and Load Management Adjustment Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law.

THE NARRAGANSETT ELECTRIC COMPANY
GENERAL C&I RATE (G-02)
RETAIL DELIVERY SERVICE

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff.

LAST RESORT SERVICE

Any Customer served under this rate who does not take its power supply from a non-regulated power producer and is ineligible for Standard Offer Service will receive Last Resort Service pursuant to the Last Resort Service tariff.

DEMAND

The Demand for each month under ordinary load conditions shall be the greatest of the following:

- a) The greatest fifteen-minute peak occurring during such month as measured in kilowatts,
- b) Through the billing month of December 2005, 80% of the greatest fifteen-minute peak occurring during the month as measured in kilovolt-amperes, where the Customer's Demand exceeds 75 kilowatts, and 90% thereafter,
- c) 75% of the greatest Demand as so determined above during the preceding eleven months,
- d) 10 kilowatts.

Any Demands established during the eleven months prior to the application of this rate shall be considered as having been established under this rate.

OPTIONAL DETERMINATION OF DEMAND

A Customer who has been served hereunder for one year or more may upon written request have the Demand for each month, beginning with the next month after such request and running for a period of not less than two consecutive months, be based upon the greatest of items a), b) and d) above. In such case, the Demand Charges and the Energy Charges will be increased by 20% during any such period.

CREDIT FOR HIGH VOLTAGE DELIVERY

If the Customer takes delivery at the Company's supply line voltage, not less than 2400 volts, and the Company is saved the cost of installing any transformer and associated equipment, a credit of 37 cents per kilowatt of billing demand for such month shall be allowed against the amount determined under the preceding provisions.

HIGH-VOLTAGE METERING ADJUSTMENT

The Company reserves the right to determine the metering installation. Where service is metered at the Company's supply line voltage, in no case less than 2400 volts, thereby saving the Company transformer losses, a discount of 1% will be allowed from the amount determined under the preceding provisions.

THE NARRAGANSETT ELECTRIC COMPANY
GENERAL C&I RATE (G-02)
RETAIL DELIVERY SERVICE

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

GROSS EARNINGS TAX CREDIT FOR MANUFACTURERS

Consistent with the gross receipts tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be exempt from the Gross Earnings Tax to the extent allowed by the Division of Taxation.

Eligible manufacturing customers are those customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30(H) of Rhode Island General Laws) indicating the customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a customer, the customer will be required to reimburse the Company in the amount of the credits provided to such customer which were disallowed, including any interest required to be paid by the Company to such authority.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: Effective Date

THE NARRAGANSETT ELECTRIC COMPANY
200 kW Demand Rate (G-32)
Retail Delivery Service

Effective
Effective Date

R.I.P.U.C. No. 1177

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$236.43
<u>Transmission Charge per kW</u>	\$1.27
<u>Distribution Charge per kW</u>	\$2.10 (Effective Date) \$2.02 (Eff. January 1, 2006) \$2.01 (Eff. January 1, 2007) \$2.00 (Eff. January 1, 2008) \$1.99 (Eff. January 1, 2009)
<u>Non-Bypassable Transition Charge per kWh</u>	0.855¢
<u>Transmission Adjustment Factor per kWh</u>	0.042¢
<u>Distribution Charge per kWh</u>	0.889¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. January 1, 1997)
<u>Customer Credit per kWh</u>	0.231¢

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Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

**Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.**

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
200 kW DEMAND RATE (G-32)
RETAIL DELIVERY SERVICE

AVAILABILITY

Electric delivery service shall be taken under this rate for all purposes by any customer who is placed on the rate by the Company in accordance with this paragraph. The Company shall place on this rate any customer who has a 12-month average Demand of 200 kW or greater for 3 consecutive months as soon as practicable. Notwithstanding the foregoing, the Company may require any customer with a 12-month maximum demand of 3000 kW or greater to take delivery service on the 3000 kW Demand Rate G-62 (subject to the settlement provisions in Docket No. 2290).

If electricity is delivered through more than one meter, except at the Company's option, the Monthly Charge for delivery service through each meter shall be computed separately under this rate. If any electricity is delivered hereunder at a given location, then all electricity deliveries by the Company at such location shall be delivered hereunder.

New Customers: Service will initially be taken under this rate by any new customer who requests service capability of 225 kVA or greater.

Transfers From Rate G-32: Any customer whose 12-month average demand is less than 180 kW for twelve consecutive months may elect to transfer from the 200 kW Demand Rate G-32 to another available rate.

This rate is also available to customers who install on-site non-emergency generating units powered by Eligible Renewable Energy Resources, as defined in 2004 R.I. Pub. Laws 205 up to an aggregate nameplate capacity of 3 MW for all customer having installed such generation and are therefore exempt from the backup service rates. However, any customer exempted from the backup service rates under this provision shall nevertheless be required to install metering pursuant to the backup service tariff that shall provide information on the operation of the generation unit.

MONTHLY CHARGE

The Monthly Charge will be the sum of the Retail Delivery Service Charges set forth in the cover sheet of this tariff.

PEAK OFF-PEAK PERIODS

PEAK HOURS:	June - September	-- 8 a.m. - 10 p.m. Weekdays,
	December - February	-- 7 a.m. - 10 p.m. Weekdays
	October - November and	
	March - May	-- 8 a.m. - 9 p.m. Weekdays

OFF-PEAK HOURS: All other hours

Weekdays shall mean Monday through Friday, excluding the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Columbus Day (observed), Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day.

THE NARRAGANSETT ELECTRIC COMPANY
200 kW DEMAND RATE (G-32)
RETAIL DELIVERY SERVICE

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under “Monthly Charge” may be adjusted from time to time in the manner described in the Company’s Transmission Service Cost Adjustment Provision.

Transition Charge Adjustment

The prices under this rate as set forth under “Monthly Charge” may be adjusted from time to time in the manner described in the Company’s Non-Bypassable Transition Charge Adjustment Provision.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company’s Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service.

Conservation and Load Management Adjustment

The amount determined under the preceding provisions shall be adjusted in accordance with the Company’s Conservation and Load Management Adjustment Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company’s Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff.

LAST RESORT SERVICE

Any Customer served under this rate who does not take its power supply from a non-regulated power producer and is ineligible for Standard Offer Service will receive Last Resort Service pursuant to the Last Resort Service tariff.

THE NARRAGANSETT ELECTRIC COMPANY
200 kW DEMAND RATE (G-32)
RETAIL DELIVERY SERVICE

DEMAND

The Demand for each month under ordinary load conditions shall be the greatest of the following:

- a) The greatest fifteen-minute peak occurring in such month during Peak hours as measured in kilowatts, Deleted: or Shoulder
- b) Through the billing month of December 2005, 80% of the greatest fifteen-minute peak occurring in such month during Peak hours as measured in kilovolt-amperes, and 90% thereafter, Deleted: or Shoulder
- c) 75% of the greatest Demand as so determined above during the preceding eleven months, and
- d) 10 kilowatts.

OPTIONAL DETERMINATION OF DEMAND

A Customer who has been served hereunder for one year or more may upon written request have the Demand for each month, beginning with the next month after such request and running for a period of not less than two consecutive months, be based upon the greatest of items (a), (b) and (d) above. In such case, the Demand Charge and the Energy Charge will be increased by 20% during any such period.

CREDIT FOR HIGH VOLTAGE DELIVERY

If the Customer takes delivery at the Company's supply line voltage, not less than 2400 volts, and the Company is saved the cost of installing any transformer and associated equipment, a credit of 37 cents per kilowatt of billing demand for such month shall be allowed against the amount determined under the preceding provisions.

An additional credit of \$2.41 per kilowatt of the billing demand for such month shall also be allowed if said customer accepts delivery at not less than 115,000 volts, and the Company is saved the cost of installing any transformer and associated equipment.

The total amount of the credit allowed under this provision shall not exceed the sum of the Customer Charge, the Distribution Demand Charge and the Distribution kWh Charge.

HIGH-VOLTAGE METERING ADJUSTMENT

The Company reserves the right to determine the metering installation. Where service is metered at the Company's supply line voltage, in no case less than 2400 volts, thereby saving the Company transformer losses, a discount of 1% will be allowed from the amount determined under the preceding provisions.

SECOND FEEDER SERVICE

Except as provided below, Customers receiving second feeder service shall pay \$2.41 per 80% of KVA (through the billing month of December 2005; 90% of KVA thereafter) of reserved second feeder capability. The charge for second feeder capability shall apply only to Customers with second feeder capability installed on or after May 1, 1998. The charge for second feeder capability shall not apply to Customers taking service within the Capital Center of Providence or within the downtown Providence underground network system. The Company's Construction Advance Policy 3 shall apply to determine any advance contribution by the customer, Deleted: C

THE NARRAGANSETT ELECTRIC COMPANY
200 kW DEMAND RATE (G-32)
RETAIL DELIVERY SERVICE

using an estimate of revenues to be derived from this second feeder rate. The Company reserves the right to decline second feeder service for engineering reasons.

An additional \$0.37 per 80% of KVA (through the billing month of December 2005; 90% of KVA thereafter) of reserved second feeder capability shall be charged if an additional transformer is required at the Customer's facility.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

GROSS EARNINGS TAX CREDIT FOR MANUFACTURERS

Consistent with the gross receipts tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be exempt from the Gross Earnings Tax to the extent allowed by the Division of Taxation.

Eligible manufacturing customers are those customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30(H) of Rhode Island General Laws) indicating the customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a customer, the customer will be required to reimburse the Company in the amount of the credits provided to such customer which were disallowed, including any interest required to be paid by the Company to such authority.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: Effective Date

THE NARRAGANSETT ELECTRIC COMPANY
3000 kW Demand Rate (G-62)
Retail Delivery Service

Effective
Effective Date

R.I.P.U.C. No. 1178

Monthly Charge As Adjusted

Rates for Retail Delivery Services

<u>Customer Charge per month</u>	\$17,118.72
<u>Transmission Charge per kW</u>	\$1.39
<u>Distribution Charge per kW</u>	\$2.34 (Effective Date) \$2.26 (Eff. January 1, 2006) \$2.25 (Eff. January 1, 2007) \$2.24 (Eff. January 1, 2008) \$2.22 (Eff. January 1, 2009)
<u>Non-Bypassable Transition Charge per kWh</u>	0.855¢
<u>Transmission Adjustment Factor per kWh</u>	0.042¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢ (Eff. January 1, 1997)
<u>Customer Credit per kWh</u>	0.212¢

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

Tax Note: **The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.**

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
3000 kW DEMAND RATE (G-62)
RETAIL DELIVERY SERVICE

AVAILABILITY

Electric delivery service shall be taken under this rate for all purposes by any customer who is placed on the rate by the Company in accordance with this paragraph. The Company shall place on this rate any customer who has a 12-month maximum Demand of 3,000 kW or greater. Delivery service can be taken under this rate by customers who do not meet the qualifications on a voluntary basis.

If electricity is delivered through more than one meter, except at the Company's option, the Monthly Charge for service through each meter shall be computed separately under this rate. If any electricity is delivered hereunder at a given location, then all electricity delivered by the Company at such location shall be delivered hereunder.

New Customers: Delivery service will initially be taken under this rate by any new customer who requests delivery service capability of 3,375 kVA or greater.

Transfers From Rate G-62: Any customer whose 12-month maximum demand is less than 2,700 kW for twelve consecutive months may elect to transfer from the 3,000 kW Demand Rate G-62 to another available rate.

This rate is also available to customers who install on-site non-emergency generating units powered by Eligible Renewable Energy Resources, as defined in 2004 R.I. Pub. Laws 205 up to an aggregate nameplate capacity of 3 MW for all customers having installed such generation and are therefore exempt from the backup service rates. However, any customer exempted from the backup service rates under this provision shall nevertheless be required to install metering pursuant to the backup service tariff that shall provide information on the operation of the generation unit.

MONTHLY CHARGE

The Monthly Charge will be the sum of the Retail Delivery Service Charges set forth in the cover sheet of this tariff.

PEAK, SHOULDER AND OFF-PEAK PERIODS

PEAK HOURS:	June - September	--	8 a.m. - 10 p.m. Weekdays,
	December - February	--	7 a.m. - 10 p.m. Weekdays
	October - November and		
	March - May	--	8 a.m. - 9 p.m. Weekdays

OFF-PEAK HOURS: All other hours

Weekdays shall mean Monday through Friday, excluding the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Columbus Day (observed), Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day.

THE NARRAGANSETT ELECTRIC COMPANY
3000 kW DEMAND RATE (G-62)
RETAIL DELIVERY SERVICE

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service.

Conservation and Load Management Adjustment

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Conservation and Load Management Adjustment Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff.

LAST RESORT SERVICE

Any Customer served under this rate who does not take its power supply from a non-regulated power producer and is ineligible for Standard Offer Service will receive Last Resort Service pursuant to the Last Resort Service tariff.

DEMAND

The Demand for each month under ordinary load conditions shall be the greatest of the following:

- a) The greatest fifteen-minute peak occurring in such month during Peak hours as measured in kilowatts,
- b) Through the billing month of December 2005, 80% of the greatest fifteen-minute peak occurring in such month during Peak hours as measured in kilovolt-amperes, and 90% thereafter,

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THE NARRAGANSETT ELECTRIC COMPANY
3000 kW DEMAND RATE (G-62)
RETAIL DELIVERY SERVICE

- c) 75% of the greatest Demand as so determined above during the preceding eleven months,
and
- d) 10 kilowatts.

OPTIONAL DETERMINATION OF DEMAND

A Customer who has been served hereunder for one year or more may upon written request have the Demand for each month, beginning with the next month after such request and running for a period of not less than two consecutive months, be based upon the greatest of items (a), (b) and (d) above. In such case, the Demand Charge and the Energy Charge will be increased by 20% during any such period.

CREDIT FOR HIGH VOLTAGE DELIVERY

If the Customer takes delivery at the Company's supply line voltage, not less than 2400 volts, and the Company is saved the cost of installing any transformer and associated equipment, a credit of 37 cents per kilowatt of billing demand for such month shall be allowed against the amount determined under the preceding provisions.

An additional credit of \$2.41 per kilowatt of the billing demand for such month shall also be allowed if said customer accepts delivery at not less than 115,000 volts, and the Company is saved the cost of installing any transformer and associated equipment.

The total amount of the credit allowed under this provision shall not exceed the sum of the Customer Charge, the Distribution Demand Charge and the Distribution kWh Charge.

HIGH-VOLTAGE METERING ADJUSTMENT

The Company reserves the right to determine the metering installation. Where service is metered at the Company's supply line voltage, in no case less than 2400 volts, thereby saving the Company transformer losses, a discount of 1% will be allowed from the amount determined under the preceding provisions.

SECOND FEEDER SERVICE

Except as provided below, Customers receiving second feeder service shall pay \$2.41 per 80% of KVA (through the billing month of December 2005; 90% of KVA thereafter) of reserved second feeder capability. The charge for second feeder capability shall apply only to Customers with second feeder capability installed on or after May 1, 1998. The charge for second feeder capability shall not apply to Customers taking service within the Capital Center of Providence or within the downtown Providence underground network system. The Company's Construction Advance Policy 3 shall apply to determine any advance contribution by the customer, using an estimate of revenues to be derived from this second feeder rate. The Company reserves the right to decline second feeder service for engineering reasons.

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An additional \$0.37 per 80% of KVA (through the billing month of December 2005; 90% of KVA thereafter) of reserved second feeder capability shall be charged if an additional transformer is required at the Customer's facility.

THE NARRAGANSETT ELECTRIC COMPANY
3000 kW DEMAND RATE (G-62)
RETAIL DELIVERY SERVICE

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

GROSS EARNINGS TAX CREDIT FOR MANUFACTURERS

Consistent with the gross receipts tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be exempt from the Gross Earnings Tax to the extent allowed by the Division of Taxation.

Eligible manufacturing customers are those customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30(H) of Rhode Island General Laws) indicating the customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a customer, the customer will be required to reimburse the Company in the amount of the credits provided to such customer which were disallowed, including any interest required to be paid by the Company to such authority.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: Effective Date

THE NARRAGANSETT ELECTRIC COMPANY
Limited Traffic Signal Service (R-02)
Retail Delivery Service

Effective
Effective Date

R.I.P.U.C. No. 1179

Monthly Charge as Adjusted

Rates for Retail Delivery Service

Unmetered Charge per month	\$0.36 (Effective Date)
	\$0.72 (Eff. January 1, 2006)
	\$1.08 (Eff. January 1, 2007)
	\$1.44 (Eff. January 1, 2008)
	\$1.83 (Eff. January 1, 2009)

Non-Bypassable Transition Charge per kWh 0.855¢

Transmission Charge per kWh 0.259¢

Transmission Adjustment Factor per kWh 0.042¢

Distribution Charge per kWh

1.41 8 ¢	(Effective Date)
1.96 9 ¢	(Eff. January 1, 2006)
2.52 0 ¢	(Eff. January 1, 2007)
3.07 1 ¢	(Eff. January 1, 2008)
3.62 4 ¢	(Eff. January 1, 2009)

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Conservation and Load Management Adjustment per kWh 0.230¢ (Eff. January 1, 1997)

Customer Credit per kWh 0.365¢

Rates for Standard Offer Service or Last Resort (Optional)

Standard Offer per kWh per Standard Offer Service tariff

Last Resort per kWh per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
LIMITED TRAFFIC SIGNAL SERVICE (R-02)
RETAIL DELIVERY SERVICE

AVAILABILITY

Electric delivery service under this rate is available to the State or any City or Town, hereinafter referred to as the Customer, for the operation of traffic signals, hereinafter referred to as locations. The availability of this rate is limited to the following customers and locations: those customers and locations who were served under Traffic Signal Rate R - R.I.P.U.C. No. 937 on May 10, 1992 and have continuously been served under the Traffic Signal Rate and successor rate since that date. Effective during the billing month of January 2009, customers served on this Rate Schedule will be transferred to Small C&I Rate C-06 and the provisions of this tariff will no longer be in effect.

MONTHLY CHARGE

The Monthly Charge will be the sum of the applicable Retail Delivery Service Charges set forth in the cover sheet of this tariff.

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service.

Conservation and Load Management Adjustment

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Conservation and Load Management Adjustment Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff.

**THE NARRAGANSETT ELECTRIC COMPANY
LIMITED TRAFFIC SIGNAL SERVICE (R-02)
RETAIL DELIVERY SERVICE**

LAST RESORT SERVICE

Any Customer served under this rate who does not take its power supply from a non-regulated power producer and is ineligible for Standard Offer Service will receive Last Resort Service pursuant to the Last Resort Service tariff.

MINIMUM CHARGE

Unmetered Service: See cover sheet.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

DETERMINATION OF ELECTRICITY DELIVERED

The Company may determine the electricity delivered from the connected load and operating schedule, or at its option install a meter.

FURNISHING OF EQUIPMENT

The customer will furnish, install and maintain all traffic signals and operating mechanisms used in connection therewith including all necessary supports and foundations and all wiring and equipment between such signals and the switch or other mechanism for controlling and operating the signals. The company will furnish, install and maintain all wiring and other apparatus required in connection with the service to be furnished hereunder and located between its lines and the above-mentioned switch or operating mechanism.

PAYMENTS

Payments under this rate for traffic signal service furnished by the Company for any month will be due on the 20th day of the next following month.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where applicable hereto and not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: Effective Date

THE NARRAGANSETT ELECTRIC COMPANY

Limited Service - Private Lighting (S-10)
Retail Delivery Service

Effective
Effective Date

R.I.P.U.C. No. 1180

Luminaire
Type/Lumens

	<u>Code</u>	<u>Annual kWh</u>
<u>Incandescent</u>		
1,000	10	440
<u>Mercury Vapor</u>		
8,000 Post Top	2	908
4,000	3	561
8,000	4	908
22,000	5	1,897
63,000	6	4,569
22,000 FL	23	1,897
63,000 FL	24	4,569
<u>Sodium Vapor</u>		
4,000	70	248
5,800	71	349
9,600	72	490
27,500	74	1,284
50,000	75	1,968
27,500 FL	77	1,284
50,000 FL	78	1,968
9,600 Post Top	79	490
27,500 (24 hr)	84	2,568

	<u>Narragansett Zone</u>	<u>Blackstone Zone</u>	<u>Newport Zone</u>
Non-Bypassable Transition Charge per kWh	0.855¢	0.855¢	0.855¢
Transmission Charge per kWh	0.259¢	0.259¢	0.259¢
Transmission Adjustment Factor per kWh	0.042¢	0.042¢	0.042¢
Conservation & Load Management Adjustment per kWh	0.230¢	0.230¢	0.230¢
Streetlight Credit per kWh	0.000¢	4.420¢	2.918¢
Customer Credit per kWh	0.811¢	0.811¢	0.811¢
Plus Standard Offer	per Standard Offer Service tariff (Optional)		
Plus Last Resort	per Last Resort Service tariff (Optional)		

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Tax Note:The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.
Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
LIMITED SERVICE - PRIVATE LIGHTING (S-10)
 RETAIL DELIVERY SERVICE

AVAILABILITY

Private lighting and floodlighting service is available under this rate to any Customer who prior to the date of this rate was served on Limited Service-Private Lighting Rate S-6, R.I.P.U.C. No. 872. There will be no new installations or relocations under this rate. However, private lighting customers in the Blackstone Valley Zone and Newport Zone who were served on a private lighting rate by Blackstone Valley Electric Company or Newport Electric Company at their current location as of April 30, 2000 shall be placed on this rate by the Company. No other private lighting customers are permitted on this rate, except that a new private lighting customer at a location that was served under this rate may request continuation of service under this rate provided that the request is made within a reasonable time of the customer moving into the service location and the light fixture has not otherwise been removed by the Company.

RATE

A. Luminaire Charge:

<u>Lumen Rating</u>	<u>Code</u>	<u>Watts</u>	<u>Annual Price Per Unit</u>
<u>Incandescent</u>			
<u>Streetlights</u>			
1,000	10	105	\$75.22
<u>Mercury Vapor</u>			
<u>Post Top</u>			
8,000	02	217	\$108.85
<u>Streetlights</u>			
4,000	03	134	\$58.40
8,000	04	217	\$70.77
22,000	05	454	\$122.31
63,000	06	1,094	\$234.25
<u>Floodlights</u>			
22,000	23	454	\$152.08
63,000	24	1,094	\$262.72
<u>Sodium Vapor*</u>			
<u>Streetlights</u>			
4,000	70	59	\$62.78
5,800	71	83	\$66.28
9,600	72	117	\$72.63
27,500	74	307	\$120.39
50,000	75	471	\$163.46
27,500 (24 hr)	84	300	\$172.21
<u>Floodlights</u>			
27,500	77	300	\$143.14
50,000	78	466	\$181.37
<u>Post Top</u>			
9,600	79	117	\$78.56

THE NARRAGANSETT ELECTRIC COMPANY
LIMITED SERVICE - PRIVATE LIGHTING (S-10)
RETAIL DELIVERY SERVICE

Rates for Retail Delivery Service

<u>Non-Bypassable Transition Charge per kWh</u>	see cover sheet
<u>Transmission Charge per kWh</u>	see cover sheet
<u>Distribution Charge per kWh</u>	see cover sheet

* The above sodium vapor source lights are available for replacement of existing incandescent or mercury vapor source lights. Incandescent and mercury vapor source lights will be replaced by the equivalent sodium vapor equipment when light outage is due to other than lamp or photo cell failure. Conversion of existing incandescent or mercury vapor lights to sodium vapor source lights may also take place at the customer's request.

B. Pole and Accessory Charge

An additional annual charge as enumerated below in the schedule of pole prices will be applied to the foregoing charges for the luminaire stated in Section A where the Company is requested to furnish a suitable pole, for the sole purpose of supporting a luminaire. If at a future date the pole is used for any purpose approved by the Company in addition to supporting a street and/or floodlight luminaire, the pole charge will be terminated.

<u>Overhead Service</u>		<u>Annual Price</u>
<u>Mounting Height</u>	<u>Code</u>	<u>Per Unit</u>
<u>Wood Poles</u>	(P)	\$55.45

Underground Service

<u>Non-Metallic Poles</u>		
Fiberglass poles with no base	(R)	\$57.34
Fiberglass poles with base		
<25 feet	(C)	\$111.04
Fiberglass poles with base		
=>25 feet	(D)	\$185.67
<u>Metal Poles</u>		
(With foundation)	(T)	\$253.37

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision.

THE NARRAGANSETT ELECTRIC COMPANY
LIMITED SERVICE - PRIVATE LIGHTING (S-10)
RETAIL DELIVERY SERVICE

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service.

Conservation and Load Management Adjustment

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Conservation and Load Management Adjustment Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff.

LAST RESORT SERVICE

Any Customer served under this rate who does not take its power supply from a non-regulated power producer and is ineligible for Standard Offer Service will receive Last Resort Service pursuant to the Last Resort Service tariff.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

HOURS OF OPERATION

All lights shall be operated each and every night from approximately one-half hour after sunset until approximately one-half hour before sunrise, a total of approximately 4,175 hours each year. No reduction in billing will be allowed for lamp outages.

PAYMENTS

One-twelfth of the annual price including such adjustments herein specified will be billed each and every month beginning with the month next following the month in which service is rendered.

THE NARRAGANSETT ELECTRIC COMPANY
LIMITED SERVICE - PRIVATE LIGHTING (S-10)
RETAIL DELIVERY SERVICE

EXCESSIVE DAMAGE

Excessive damage due to wanton or malicious acts shall be charged to the Customer at the actual cost of labor and material required to repair or replace the unit. Excessive damage is defined as a pole, lamp, fixture or conductors being broken or damaged more than once a year. Notification of excessive damage will be made to the Customer by the Company prior to billing for repairs.

NOTIFICATION OF OUTAGES

The Company agrees that it will replace lamps that are burned out, or are not functioning for other reasons, within a reasonable period of time after written notification by the Customer or verbal notification via the designated street light outage phone number. To the extent practicable, the Company also will use all reasonable efforts to respond to reports about outages from the general public, which reports are given by means other than written notice or the street light outage phone number. However, unless such report is made in writing or via the designated phone number, the Company cannot provide any assurances to the Customer that the Company will be able to respond in a timely manner.

The time it takes for the Company to repair or replace lamps depends on the extent of damage to the lamp and/or fixture, the means by which the Company was notified, the size of the backlog of reports, and whether any other abnormal conditions exist which affect the Company's ability to respond in a timely manner.

MAINTENANCE OF STREET LIGHTS

It is expressly understood and agreed that the Company has no responsibility to locate or identify burned out or malfunctioning lamps; this is the sole and exclusive responsibility of the Customer. The Company's obligation to the Customer to repair lamps arises only after receipt of appropriate notice of an outage.

LOCATION OF STREET LIGHTS

The Customer bears sole responsibility for determining where street lights will be placed and the type of lamp used at each location. The Company bears no responsibility for, and makes no representations or warranties concerning, the locations and lamps selected by the Customer or the adequacy of the resulting lighting.

DISCLAIMER OF LIABILITY

The Company's duties and obligations under this tariff extend only to the Customer, and not to any third parties. The Company does not assume and specifically disclaims any liability to third parties arising out of Company's obligations to Customer under this section.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where applicable hereto and not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: Effective Date

THE NARRAGANSETT ELECTRIC COMPANY
General Streetlighting Service (S-14)
Retail Delivery Service

Effective
Effective Date

R.I.P.U.C. No. 1181

<u>Luminaire</u> <u>Type/Lumens</u>	<u>Code</u>	<u>Annual kWh</u>
<u>Incandescent</u>		
1,000	10	440
1,500	11	845
<u>Mercury Vapor</u>		
8,000 Post Top	02	908
4,000	03	561
8,000	04	908
15,000	17, 18	1,874
22,000	05	1,897
63,000	06	4,569
<u>Sodium Vapor</u>		
4,000	70, 710, 711, 750, 755, 756	248
5,800	71	349
9,600	72	490
27,500	74	1,284
50,000	75	1,968
27,500 (24 hr)	84	2,568
50,000 FL	78	1,968
9,600 Post Top	79	490

	<u>Narragansett</u> <u>Zone</u>	<u>Blackstone</u> <u>Zone</u>	<u>Newport</u> <u>Zone</u>
Non-Bypassable Transition Charge per kWh	0.855¢	0.855¢	0.855¢
Transmission Charge per kWh	0.259¢	0.259¢	0.259¢
Transmission Adjustment Factor per kWh	0.042¢	0.042¢	0.042¢
Conservation & Load Management Adj. per kWh	0.230¢	0.230¢	0.230¢
Streetlight Credit per kWh	0.000¢	4.420¢	2.918¢
Customer Credit per kWh	0.811¢	0.811¢	0.811¢
Standard Offer Service	per Standard Offer Service tariff (Optional)		
Last Resort Service	per Last Resort Service tariff (Optional)		

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
GENERAL STREET LIGHTING SERVICE (S-14)
RETAIL DELIVERY SERVICE

AVAILABILITY

Street Lighting Service is available under this rate to any city, town, or other public authority hereinafter referred to as the Customer, and to Customers who immediately prior to their transfer to this rate were served on Limited Street Lighting Service (S-12), R.I.P.U.C. NO. 1145-A, in accordance with the provisions and the specifications hereinafter set forth:

1. For municipally-owned or accepted roadways, which includes those classified as "private ways" for which a municipality has agreed to supply street lighting service.
2. Service under this rate is contingent upon Company ownership and maintenance of street lighting equipment.
3. Service under this rate is not available for limited access highways or the access and egress ramps.
4. Service under this rate is available to private contractors for street lighting service for streets which have not yet been accepted by the municipality.

RATE

A. Luminaire Charge:

<u>Lumen Rating</u>	<u>Code</u>	<u>Watts</u>	<u>Annual Price Per Unit</u>
<u>Incandescent</u>			
<u>Streetlight</u>			
1,000 *	10	105	\$75.22
2,500 *	11	206	\$67.45
 <u>Mercury Vapor</u>			
<u>Streetlights</u>			
4,000 *	03	134	\$58.40
8,000 *	04	217	\$70.77
15,000(In) *	17	299	\$122.97
15,000(Out) *	18	299	\$122.97
22,000 *	05	454	\$122.31
63,000 *	06	1,094	\$234.25
 <u>Post Top</u>			
8,000	02	217	\$108.85

THE NARRAGANSETT ELECTRIC COMPANY
GENERAL STREET LIGHTING SERVICE (S-14)
RETAIL DELIVERY SERVICE

<u>Lumen Rating</u>	<u>Code</u>	<u>Watt</u>	<u>Annual Price</u> <u>Per Unit</u>
<u>Sodium Vapor</u>			
<u>Streetlights</u>			
4,000	70	59	\$62.78
5,800	71	83	\$66.28
9,600	72	117	\$72.63
27,500	74	307	\$120.39
50,000	75	471	\$163.46
27,500 (24 Hr)	84	300	\$172.21

Incandescent Conversion

1,000 to 4,000	750	59	\$62.78
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Post Top

9,600	79	117	\$78.56
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Floodlights

27,500	77	300	\$143.14
50,000	78	466	\$181.37

* No further installation or relocating of this size light.

Rates for Retail Delivery Service

<u>Non-Bypassable Transition Charge per kWh</u>	see cover sheet
<u>Transmission Charge per kWh</u>	see cover sheet
<u>Distribution Charge per kWh</u>	see cover sheet

B. Pole and Accessory Charge:

An additional annual charge as enumerated below in the schedule of pole prices will be applied to the foregoing charges for the luminaire stated in Section A where the Company is requested to furnish a suitable pole, for the sole purpose of supporting a luminaire. If at a future date the pole is used for any purpose approved by the Company in addition to supporting a street and/or floodlight luminaire, the pole charge will be terminated.

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4,000 755 59 \$62.78
600 to 4,000 756 59 \$62.78

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59 \$62.78
2,500 to 4,000 711 59 \$62.78

THE NARRAGANSETT ELECTRIC COMPANY
GENERAL STREET LIGHTING SERVICE (S-14)
RETAIL DELIVERY SERVICE

Overhead Service

<u>Mounting Height</u>	<u>Code</u>	<u>Annual Price Per Unit</u>
<u>Wood Poles</u>	(P)	\$55.45

Underground Service

<u>Non-Metallic Poles</u>		
Fiberglass poles with no base	(R)	\$57.34
Fiberglass poles with base <25 feet	(C)	\$111.04
Fiberglass poles with base =>25 feet	(D)	\$185.67
<u>Metal Poles</u>		
(With Foundation)	(T)	\$253.37

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\$110.86
OUT \$110.86

The following pole charges apply to customers formerly served on Limited Street Lighting Service (S-12).
R.I.P.U.C. NO. 1145-A:

<u>Wood Poles</u>	(G)	<u>\$110.86</u>
<u>Fiberglass poles with no base</u>	(I)	<u>\$110.86</u>
<u>Metal Poles</u>		
(With Foundation)	(J)	<u>\$110.86</u>

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service.

Conservation and Load Management Adjustment

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Conservation and Load Management Adjustment Provision as from time to time effective in accordance with law.

THE NARRAGANSETT ELECTRIC COMPANY
GENERAL STREET LIGHTING SERVICE (S-14)
RETAIL DELIVERY SERVICE

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff.

LAST RESORT SERVICE

Any Customer served under this rate who does not take its power supply from a non-regulated power producer and is ineligible for Standard Offer Service will receive Last Resort Service pursuant to the Last Resort Service tariff.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

HOURS OF OPERATION

All lights shall be operated each and every night from approximately one-half hour after sunset until approximately one-half hour before sunrise, a total of approximately 4175 hours each year. No reduction in billing will be allowed for lamp outages.

PAYMENTS

One-twelfth of the annual price including such adjustments herein specified will be billed each and every month beginning with the month next following the month in which service is rendered.

NOTIFICATION OF OUTAGES

The Company agrees that it will replace lamps that are burned out, or are not functioning for other reasons, within a reasonable period of time after written notification by the Customer or verbal notification via the designated street light outage phone number. To the extent practicable, the Company also will use all reasonable efforts to respond to reports about outages from the general public, which reports are given by means other than written notice or the street light outage phone number. However, unless such report is made in writing or via the designated phone number, the Company cannot provide any assurances to the Customer that the Company will be able to respond in a timely manner.

The time it takes for the Company to repair or replace lamps depends on the extent of damage to the lamp and/or fixture, the means by which the Company was notified, the size of the backlog of reports, and whether any other abnormal conditions exist which affect the Company's ability to respond in a timely manner.

**THE NARRAGANSETT ELECTRIC COMPANY
GENERAL STREET LIGHTING SERVICE (S-14)
RETAIL DELIVERY SERVICE**

MAINTENANCE OF STREET LIGHTS

It is expressly understood and agreed that the Company has no responsibility to locate or identify burned out or malfunctioning lamps; this is the sole and exclusive responsibility of the Customer. The Company's obligation to the Customer to repair lamps arises only after receipt of appropriate notice of an outage.

LOCATION OF STREET LIGHTS

The Customer bears sole responsibility for determining where street lights will be placed and the type of lamp used at each location. The Company bears no responsibility for, and makes no representations or warranties concerning, the locations and lamps selected by the Customer or the adequacy of the resulting lighting.

DISCLAIMER OF LIABILITY

The Company's duties and obligations under this tariff extend only to the Customer, and not to any third parties. The Company does not assume and specifically disclaims any liability to third parties arising out of Company's obligations to Customer under this section.

EXCESSIVE DAMAGE

Excessive damage due to wanton or malicious acts shall be charged to the Customer at the actual cost of labor and material required to repair or replace the unit. Excessive damage is defined as a pole, lamp, fixture or conductors being broken or damaged more than once a year. Notification of excessive damage will be made to the Customer by the Company prior to billing for repairs.

DISCONTINUANCE OF LIGHTS

The Customer may not discontinue during any calendar year lights in excess of five (5) percent of the number of lights in service except that any number of lights above five (5) percent may be discontinued by mutual agreement upon payment of undepreciated value of the existing light if such light has been installed for a period of less than ten years.

CONVERSION OF EXISTING INCANDESCENT AND MERCURY VAPOR LIGHTS TO SODIUM VAPOR

- (1) Incandescent lights - To any municipality or other governmental agency so requesting, the Company will initiate a conversion schedule for the replacement of incandescent lights with an appropriate sodium vapor light. The conversion will be completed in a period as agreed upon. See the above schedule of prices for conversion of incandescent lights to sodium vapor for the cost at time of conversion.
- (2) Mercury vapor lights - To any municipality or other governmental agency so requesting, the Company will initiate a conversion schedule for the replacement of mercury vapor lights with an appropriate sodium vapor light upon payment of the undepreciated value of the existing light if such light has been installed for a period less than ten years. This payment may be spread equally over the following twelve month period. The conversion will be completed in a period as agreed upon.

R.I.P.U.C. No. 1181

THE NARRAGANSETT ELECTRIC COMPANY
GENERAL STREET LIGHTING SERVICE (S-14)
RETAIL DELIVERY SERVICE

TEMPORARY DISCONNECTION

The customer may request that a light may be disconnected for a period not to exceed one (1) year. The Company will cease operation and billing of such light upon payment of a disconnect charge of \$25. If served underground, the underground charge will continue.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where applicable hereto and not inconsistent with any specific provisions hereof, are a part of this rate.

Effective Date: Effective Date

THE NARRAGANSETT ELECTRIC COMPANY
Limited Service All-Electric Living (T-06)
Retail Delivery Service

Effective
Effective Date

R.I.P.U.C. No. 1182

Monthly Charge As Adjusted

Rates for Retail Delivery Service
Residential:

Customer Charge per month \$2.75

Distribution Charge per kWh 2.47~~3~~¢ (Eff. Effective Date)
2.69~~9~~¢ (Eff. January 1, 2006)
2.92~~4~~¢ (Eff. January 1, 2007)
3.15~~0~~¢ (Eff. January 1, 2008)
3.37~~6~~¢ (Eff. January 1, 2009)

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Minimum Charge per month \$2.75

Customer Credit per kWh 0.329¢

Commercial:

Customer Charge per month \$6.00

Distribution Charge per kWh 2.52~~2~~¢ (Eff. Effective Date)
2.79~~7~~¢ (Eff. January 1, 2006)
3.07~~2~~¢ (Eff. January 1, 2007)
3.34~~7~~¢ (Eff. January 1, 2008)
3.62~~4~~¢ (Eff. January 1, 2009)

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Minimum Charge per month \$6.00

Customer Credit per kWh 0.365¢

All Classes:

Non-Bypassable Transition Charge per kWh 0.855¢

Transmission Charge per kWh 0.361¢

Transmission Adjustment Factor per kWh 0.042¢

Conservation and Load Management Adjustment per kWh 0.230¢ (Eff. January 1, 1997)

Deleted: ¶
Customer Credit per kWh
(Residential) 0.329¢¶

Rates for Standard Offer Service or Last Resort Service (Optional)

Deleted: Customer Credit per kWh
(Commercial) 0.365¢

Standard Offer per kWh per Standard Offer Service tariff

Last Resort per kWh per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

**THE NARRAGANSETT ELECTRIC COMPANY
LIMITED SERVICE - ALL-ELECTRIC LIVING (T-06)
RETAIL DELIVERY SERVICE**

AVAILABILITY

The availability of this rate is limited to those customers who were served under Limited Service - All Electric Living Rate T, on May 1, 1984 and have continuously been served under the All-Electric Living Rate since that date. Notwithstanding the foregoing, the Company may require any customer with a 12-month average Demand greater than 200 kW to take service on Rate G-32. Effective during the billing month of January 2009, all customers served under this Rate Schedule will be transferred to Basic Residential Rate A-16 or Small C&I Rate C-06 and the provisions of this tariff will no longer be in effect.

To such customers, delivery service under this Limited Service - All-Electric Living Rate T-06 is available for all purposes classified below, subject to the conditions hereinafter stated:

CLASSIFICATIONS

- (a) A building, or a group of buildings under common ownership and operation, where the principal use of electricity is for living quarters. If the owner does not furnish all the electric requirements to the tenants of a building, the balance of these requirements may be billed individually to the tenants under the applicable rate.
- (b) Hotels and Motels.
- (c) Hospitals and licensed Nursing Homes.
- (d) A school, including adjacent buildings owned and operated by such school and used principally for educational purposes.

CONDITIONS

- 1. Electricity must be the sole source of energy for space heating and water heating. It shall be supplied only under this rate except where tenants are metered individually.
- 2. All electric space heating equipment must be permanently installed. It is recommended that insulation be permanently installed and conform to the Company's standards.
- 3. All water heaters installed shall be of a type and size approved by the Company.
- 4. The Customer shall provide a separate circuit for the water heater, of ample capacity and designed for 240-volt operation, to which no equipment other than the water heater shall be connected.

MONTHLY CHARGE

The Monthly Charge will be the sum of the applicable Retail Delivery Service Charges set forth in the cover sheet of this tariff.

THE NARRAGANSETT ELECTRIC COMPANY
LIMITED SERVICE - ALL-ELECTRIC LIVING (T-06)
RETAIL DELIVERY SERVICE

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under 'Monthly Charge' may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service.

Conservation and Load Management Adjustment

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Conservation and Load Management Adjustment Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff.

LAST RESORT SERVICE

Any Customer served under this rate who does not take its power supply from a non-regulated power producer and is ineligible for Standard Offer Service will receive Last Resort Service pursuant to the Last Resort Service tariff.

MINIMUM CHARGE

\$2.75 per month (Residential)
\$6.00 per month (Commercial)

THE NARRAGANSETT ELECTRIC COMPANY
LIMITED SERVICE - ALL-ELECTRIC LIVING (T-06)
RETAIL DELIVERY SERVICE

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective Date: Effective Date

THE NARRAGANSETT ELECTRIC COMPANY

Electric Propulsion Rate (X-01)
High Voltage Delivery Service

Effective
Effective Date

R.I.P.U.C. No. 1183

Monthly Charge As Adjusted

Rates for High Voltage Delivery Service

<u>Customer Charge per month</u>	\$10,000.00
<u>Transmission Demand Charge per kW</u>	\$1.34
<u>Non-Bypassable Transition Charge per kWh</u>	0.855¢
<u>Transmission Adjustment Factor per kWh</u>	0.042¢
<u>Distribution Energy Charge per kWh</u>	0.312¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.230¢
<u>Customer Credit per kWh</u>	0.190¢

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

**Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.**

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
ELECTRIC PROPULSION RATE (X-01)
HIGH VOLTAGE DELIVERY SERVICE

AVAILABILITY

This rate shall apply to any customer taking service for traction power at voltages of 69kV or greater.

MONTHLY CHARGE

The Monthly Charge will be the sum of the High Voltage Delivery Service Charges set forth in the cover sheet of this tariff.

PEAK AND OFF-PEAK PERIODS:

PEAK HOURS:	June - September	-- 8 a.m. - 10 p.m. Weekdays,
	December - February	-- 7 a.m. - 10 p.m. Weekdays
	October - November and	
	March - May	-- 8 a.m. - 9 p.m. Weekdays

OFF-PEAK HOURS: All other hours

Weekdays shall mean Monday through Friday, excluding the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Columbus Day (observed), Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day.

DEMAND

The Demand for each month under ordinary load conditions shall be the greatest of the following:

- a) The greatest peak occurring in such month during Peak hours as measured in kilowatts,
- b) Through the billing month of December 2005, 80% of the greatest peak occurring in such month during Peak hours as measured in kilovolt-amperes, and 90% thereafter,
- c) 75% of the greatest Demand as so determined above during the preceding eleven months, and
- d) 10 kilowatts.

Demand shall be measured in fifteen minute intervals.

THE NARRAGANSETT ELECTRIC COMPANY
ELECTRIC PROPULSION RATE (X-01)
HIGH VOLTAGE DELIVERY SERVICE

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under “Monthly Charge” may be adjusted from time to time in the manner described in the Company’s Transmission Service Cost Adjustment Provision

Transition Charge Adjustment

The prices under this rate as set forth under “Monthly Charge” may be adjusted from time to time in the manner described in the Company’s Non-Bypassable Transition Charge Adjustment Provision.

Standard Offer Adjustment

The customer will pay any charges required pursuant to the terms of the Company’s Standard Offer Adjustment Provision, whether or not the customer is taking or has taken Standard Offer Service.

Conservation and Load Management Adjustment

The amount determined under the preceding provisions shall be adjusted in accordance with the Company’s Conservation and Load Management Adjustment Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company’s Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

The customer may take Standard Offer Service pursuant to the terms of the Standard Offer Service tariff.

LAST RESORT SERVICE

If at any time the customer does not take its power supply from a non-regulated power producer and becomes ineligible for Standard Offer Service, the customer will receive Last Resort Service pursuant to the Last Resort Service tariff.

HIGH VOLTAGE SERVICE AGREEMENT

As a condition for service at high voltage, the Company and the customer shall execute a service agreement that sets forth the terms and conditions for service, including as necessary any reasonable reliability and safety performance requirements and other just and reasonable terms and conditions for taking service, provided that such agreement is filed with the Commission for review and approval. If the Company and the customer are

**THE NARRAGANSETT ELECTRIC COMPANY
ELECTRIC PROPULSION RATE (X-01)
HIGH VOLTAGE DELIVERY SERVICE**

unable to agree on the terms of such agreement, the Company has the right to file an unexecuted form of agreement for approval by the Commission, provided that a copy of the filing is served on the customer. The customer has the right to dispute the reasonableness of any terms of the agreement. The final terms of the form of agreement approved by the Commission (with any modifications the Commission may deem appropriate) will become a part of this tariff with respect to service for the customer when the customer commences taking service at high voltage.

CONSTRUCTION REIMBURSEMENT PAYMENT

The customer shall be required to reimburse the Company for its capital costs incurred for the construction of facilities designed to serve the customer directly, which costs have been incurred prior to the commencement of commercial train service by the customer. Such reimbursement shall also include any applicable tax liability arising out of Internal Revenue Service requirements relating to contributions in aid of construction.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof (including the high voltage service agreement), are a part of this rate.

EFFECTIVE DATE OF RATES FOR SERVICE

The rates set forth in this tariff shall be charged to the customer, commencing on the date that the customer is scheduled to begin electric service from the customer's Warwick substation to run trains on its traction power system, or such other date that may be mutually agreeable to the customer and the Company. However, to the extent that the customer consumes any kilowatthours during any testing period, the customer shall pay all applicable charges under the Company's Standard Offer Service Tariff.

Effective: Effective Date

THE NARRAGANSETT ELECTRIC COMPANY

Station Power Delivery and Reliability Service Rate (M-1)

Retail Delivery Service

Effective
Effective Date

R.I.P.U.C. No. 1184

Rates for Station Power Delivery and Reliability Service

Eligible Customers must select one of the two rate Options A or B below:

Monthly Charges

OPTION A

<u>Distribution Delivery Service Charge</u>	\$3,406.18 per month
<u>Non-Bypassable Transition Charge</u>	Higher of: 0.855¢ per kWh or \$3,500
<u>Conservation and Load Management Charge</u>	Higher of 0.230¢ per kWh or \$800
<u>Customer Credit per kWh</u>	<u>0.231¢ per kWh</u>

OPTION B

<u>Distribution Delivery Service Charge</u>	\$3,406.18 per month
<u>Non-Bypassable Transition Charge</u>	0.855¢ per kWh
<u>Conservation and Load Management Charge</u>	0.230¢ per kWh
<u>Customer Credit per kWh</u>	0.231¢ per kWh

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.

THE NARRAGANSETT ELECTRIC COMPANY
STATION POWER DELIVERY AND RELIABILITY SERVICE RATE (M-1)
Retail Delivery Service

AVAILABILITY

This service shall be available to all Customers meeting the following criteria:

1. The Customer is a "Merchant Generator" who owns and operates a generating facility with one or more generating units with an aggregate generating capacity of 50 MW or more and where all, or virtually all, of the electricity produced by the generating facility is delivered into the transmission grid for resale (net of any self-supplied Station Power);
2. The Customer's generating facility is interconnected directly or indirectly with high voltage facilities at 115 kV or greater where the high voltage facilities serving the customer are sized for deliveries into the transmission grid; and
3. The Customer receives deliveries of electricity from time to time directly or indirectly through the high voltage facilities to serve all or portion of the Customer's Station Power requirements at the generating facility.

This rate shall be mandatory for any Customer meeting the above listed criteria if such Customer arranges its own transmission service for delivery of Station Power into the generating facility, as described below under "Transmission Service Arrangements". Once a Customer takes service under this rate, the Customer may not choose to take service under a different rate without the consent of the Company.

DEFINITIONS

As used in this tariff:

"Merchant Generator" means a person or entity that owns and operates an electric power production facility and sells the output from such facility (net of self-supplied Station Power), either directly or through a marketer, at wholesale through the transmission grid.

"Station Power" means electrical energy and/or capacity used by the Customer for heating, lighting, power for station auxiliaries, office equipment, and/or other power production operating purposes.

TYPE OF SERVICE

Station Power Delivery and Reliability Service consists of delivery service through high voltage and/or other interconnected facilities to serve all or a portion of the Customer's Station Power requirements at the generating facilities.

DELIVERY POINT CONSOLIDATION

If the Customer has more than one delivery point for station service deliveries into interrelated generating facilities, the Company may consolidate the metering and delivery points into one billing account for purposes of billing under this rate.

THE NARRAGANSETT ELECTRIC COMPANY
STATION POWER DELIVERY AND RELIABILITY SERVICE RATE (M-1)
Retail Delivery Service

MONTHLY CHARGE

Customers must select either Option A or Option B. The Monthly Charge will be the sum of the Station Power Delivery Service Charges stated on the cover sheet for the applicable option. Once a Customer selects an Option, the Customer must remain on that Option for 12 consecutive months before changing Options.

BILLING DETERMINANTS FOR TRANSITION AND CONSERVATION CHARGES

Option A -- Monthly Netting

Under Option A, for purposes of determining whether the alternative kilowatt-hour charges apply for the Non-Bypassable Transition Charge and the Conservation and Load Management Charge, the Company will net gross generator output against remotely supplied station service deliveries each month. The charge for each month for such components shall be the higher of (i) the fixed charge or (ii) the kilowatt-hour charge multiplied by the net kilowatt-hours delivered for the month if the deliveries exceed generation output for the month.

Option B -- Hourly Netting

Under Option B, for purposes of determining the kilowatt-hour charges that apply for the Non-Bypassable Transition Charge and the Conservation and Load Management Charges, the Company will net gross generator output against remotely supplied station service deliveries each hour. The charge for each month shall be the kilowatt-hour charge multiplied by the net kilowatt-hours delivered for the hour if the deliveries exceed generation output for such hour.

RATE ADJUSTMENT CLAUSE APPLICABILITY

The Transition Charge Adjustment Provision, the Conservation and Load Management Adjustment Provision, the Standard Offer Adjustment Provision, and the Transmission Service Charge Adjustment Provision shall not apply to Option A of this Rate.

The Standard Offer Adjustment Provision and the Transmission Service Charge Adjustment Provision shall not apply to Option B of this Rate.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law.

THE NARRAGANSETT ELECTRIC COMPANY
STATION POWER DELIVERY AND RELIABILITY SERVICE RATE (M-1)
Retail Delivery Service

TRANSMISSION SERVICE ARRANGEMENTS

Any Customer served under this rate must make its own arrangements for transmission service to the Customer's generating facility for delivery of Station Power. Such arrangements must be made with the appropriate transmission provider(s) pursuant to a tariff or tariffs jurisdictional to the Federal Energy Regulatory Commission (FERC) in order to assure that the Company is not required to account for any load delivered into the Customer's facility for Station Power for transmission billings assessed on the Company pursuant to FERC jurisdictional transmission tariffs applicable to the Company. This transmission service is distinguishable and separate from transmission service or interconnection arrangements that permit the Customer to deliver output from the generating facility into the transmission grid.

ARRANGEMENTS FOR GENERATION SERVICE

Any Customer served under this rate must either (1) establish a settlement account with ISO-New England, Inc., for power supply and must use the settlement account to arrange for any Station Power supply that is not self-supplied at the generating facility or (2) purchase electricity directly from a nonregulated power producer. By electing service under this tariff, the Customer agrees not to take service at any time under the Company's Last Resort Service or Standard Offer Service Tariffs.

OTHER LOW VOLTAGE SERVICE EXCLUDED

Any Customer served under this rate who also is receiving Station Power service or other retail delivery service through a separate distribution feeder that is not associated with the facilities through which the Customer delivers generated electricity into the transmission system must take such delivery service through a separate applicable retail delivery service tariff that is separately metered and established as a separate account.

OTHER FACILITIES EXCLUDED

This rate applies only to Station Power. The Customer may not use this rate to receive or provide power to other non-generation related facilities, the use of which falls outside of the definition of "Station Power", as defined in this rate.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: Effective Date

**THE NARRAGANSETT ELECTRIC COMPANY
NON-BYPASSABLE TRANSITION CHARGE ADJUSTMENT PROVISION**

The Non-Bypassable Transition Charge shall collect from customers all Contract Termination Charges billed to the Narragansett Electric Company (the Company) by the New England Power Company or Montaup Electric Company. The Non-Bypassable Transition Charge may be subject to adjustment each time any Contract Termination Charge changes.

On an annual basis, the Company shall reconcile its total cost of Contract Termination Charges against its total transition charge revenue (appropriately adjusted to reflect the Rhode Island Gross Receipts Tax) to determine any excess or deficiency ("Transition Charge Adjustment Balance"). Any positive or negative balance will accrue interest calculated at the rate in effect for customer deposits.

For purposes of the above reconciliation, total transition charge revenues shall mean all revenue collected from customers through the transition charges for the applicable reconciliation period. If there is a positive or negative balance in the then current Transition Charge Adjustment Balance outstanding from the prior period, the balance shall be credited against or added to the new reconciliation amount, as appropriate, in establishing the Transition Charge Adjustment Balance for the new reconciliation period. The Company shall annually determine the Transition Charge Adjustment Balance, if any, for the prior calendar year and make a filing with the Commission. The Company will propose at that time a rate recovery /refund methodology to recover or refund the balance, as appropriate, over a twelve-month period or over any reasonable time period as approved by the Commission.

Modifications to the Non-Bypassable Transition Charge shall be in accordance with a notice filed with the Public Utilities Commission (Commission) setting forth the revised charge and the amount of the increase or decrease. The notice shall further specify the effective date of the change.

This provision is applicable to all Retail Delivery Service rates of the Company.

Effective: Effective Date

Deleted: January 1, 2005

THE NARRAGANSETT ELECTRIC COMPANY
TRANSMISSION SERVICE COST ADJUSTMENT PROVISION

The Transmission Service Cost Adjustment (TCA) shall collect from customers transmission costs billed to The Narragansett Electric Company (Narragansett or the Company) by entities such as New England Power Company, by any other transmission provider, and by regional transmission entities such as the New England Power Pool, a regional transmission group, an independent system operator or any other entity that is authorized to bill Narragansett Electric directly for transmission services.

The transmission service cost adjustment shall be a uniform cents per kilowatthour factor applicable to all kilowatthours delivered by the Company. The factor shall be established annually based on a forecast of transmission costs, taking into account revenues that will be received from base rate transmission charges, and shall include a full reconciliation and adjustment for any over- or under-recoveries of transmission costs incurred during the prior year. The Company may file to change the factor adjustment at any time should significant over- or under-recoveries occur. The reconciliation shall calculate all revenues received by the Company through the base rate transmission charges and this TCA, compare these revenues to all transmission costs incurred during the corresponding year, and pass through the resulting credit or charge, as appropriate, on a uniform per kWh basis, as provided above.

Modifications to the Transmission Service Cost Adjustment Factor shall be in accordance with a notice filed with the Public Utilities Commission (the Commission) setting forth the amount of the revised factor and the amount of the increase or decrease. The notice shall further specify the effective date of such charges.

Effective Effective Date

Deleted: January 1, 2005

THE NARRAGANSETT ELECTRIC COMPANY
CUSTOMER CREDIT PROVISION

The Customer Credit Factor ("CCF") shall refund to customers all funds accumulated on the behalf of customers ("Customer Credit") pursuant to Section 11(A) of the Third Amended Stipulation and Settlement Agreement approved by the Rhode Island Public Utilities Commission ("Commission") in Docket No. 2930, in accordance with the adjustments and methodology set forth in the settlement filed by the Company and approved by the Commission in Docket 3617, (the "Current Rate Plan").

Deleted: ____

The Company shall estimate and adjust the Customer Credit for the period January 1, 2000 through December 31, 2004 as described in Section 7(C) of the Current Rate Plan. The Customer Credit shall be allocated to each of the Company's rate classes using a factor comprised of 50% of each class' base distribution revenues estimated for calendar year 2005 and 50% of each class' kilowatt-hour deliveries estimated for calendar year 2005. The factor for each class will be a cents-per-kilowatt-hour factor applicable to all kilowatt-hours delivered by the Company and will be applied to customer bills over a twelve-month period beginning on the effective date of the Current Rate Plan.

The estimated amounts included in the design of the CFF shall be reconciled to actual amounts in a report filed with the Commission by May 1, 2005. In addition, the amounts credited to customers pursuant to this provision shall be tracked by the Company and reconciled at the end of the twelve-month period to the actual amount reflected in the May 1, 2005 report. The result of this reconciliation shall be included in the Company's first annual reconciliation filing occurring after the expiration of the CCF. Any over or under recoveries of the Customer Credit will be allocated to customer classes using the methodology set forth in the prior paragraph and recovered from or returned to customers over the following twelve months in a Customer Credit adjustment factor.

Deleted: that will not be shown separately on customer bills.¶

Pursuant to the Commission Order in Docket No. 3551, all of some portion of the Customer Credit attributable to the U.S. Navy will be credited to the Company's revenues in calendar year 2004, and be subject to earnings sharing.

The cities of Providence and East Providence ("Cities") shall have the option to waive the application of the CCF that would otherwise be applicable to the Company's customers in those communities and the Company shall apply the Customer Credit associated with those customers in the Cities against the cost to underground the E-183 line in accordance with the settlement approved by the Energy Facilities Siting Board on May 28, 2004 in Docket SB-2003-1 ("E-183 Settlement"). In the event that the Cities exercise this option prior to the effective date of the Current Rate Plan, and the Company is able to secure the funding, permits, and the rights to land and easements set forth in the E-183 Settlement, the Company shall underground the facilities in accordance with the terms of the E-183 Settlement. In the event that: (i) the Company receives funding for the undergrounding from alternative sources; (ii) either City does not exercise the option

in this paragraph; or (iii) the Company is unable to secure funding, permits, and the rights to land and easements as set forth in the E-183 Settlement, then the Company shall notify the Cities and shall implement that portion of the Customer Credit not otherwise used to fund the undergrounding project for the Company's customers in those communities. If the Company goes forward with the underground option, the Company shall file an accounting pursuant to Section II.H of the E-183 Settlement.

Modifications to the CCF shall be in accordance with a notice filed with the Commission setting forth the amount of the revised factor and the amount of the increase or decrease. The notice shall further specify the effective date of such charges.

Effective: Effective Date

**THE NARRAGANSETT ELECTRIC COMPANY
PERFORMANCE STANDARDS
UNDER RETAIL ACCESS TARIFFS**

The Narragansett Electric Company (“Narragansett Electric” or the “Company”) shall establish the performance standard for reliability and service that are set forth in this document. The standards are designed as a penalty-only approach, under which the Company would be penalized if its performance did not meet the standards. The Company receives no reward for performance which exceeds the standard. However, positive performance in one category can be used to offset penalties in other categories within a given year. The Company shall file annually by May 1 a report of its performance during the prior calendar year under the Performance Standards in this plan. Any net penalty balance reflected in the Company's annual report shall be credited to customers in a manner determined by the Commission at that time.

The maximum penalty authorized under the standards set forth below is \$2.2 million per year. The Performance Standards set forth below shall remain in effect from the effective date of the settlement through the effective date until it is modified by the Commission.

NOTE: When interpreting the performance standards that follow, please note that pages 6 through 9 of this Exhibit contain definitions of terms used in the standards.

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**THE NARRAGANSETT ELECTRIC COMPANY
PERFORMANCE STANDARDS
UNDER RETAIL ACCESS TARIFFS**

FREQUENCY OF INTERRUPTIONS PER CUSTOMER SERVED

<u>Year</u>	<u>Frequency Coastal *</u>	<u>Frequency Capital *</u>
1999	1.34	0.99
1998	1.05	0.80
1997	1.17	0.81
1996	0.99	1.05
1995	1.59	1.50
1994	1.39	1.16
1993	0.93	1.05
Mean	1.21	1.05
Standard Deviation	0.22	0.22

PERFORMANCE STANDARD – Frequency of Interruptions:

<u>Frequency- Coastal Target</u>	<u>(Penalty)/ Offset</u>	<u>Frequency- Capital Target</u>	<u>(Penalty)/ Offset</u>	
More than 1.65	(\$458,000)	More than 1.49	(\$458,000)	Deleted: 500,000
1.44 – 1.65	linear interpolation	1.28 – 1.49	linear interpolation	Deleted: 500,000
0.99 – 1.43	\$0	0.83 – 1.27	\$0	
0.77 – 0.98	linear interpolation	0.61 – 0.82	linear interpolation	
Less than 0.77	\$343,500	Less than 0.61	\$343,500	Deleted: 375,000
				Deleted: 375,000

* The calculations are based on data for the two operating areas of the Company – Coastal and Capital. Interruptions from “extraordinary events” are excluded, as described in the attached criteria.

$$\text{Frequency per Customer Served} = \frac{\text{Number of Customers Interrupted}}{\text{Number of Customers Served}}$$

**THE NARRAGANSETT ELECTRIC COMPANY
PERFORMANCE STANDARDS
UNDER RETAIL ACCESS TARIFFS**

DURATION OF INTERRUPTIONS PER CUSTOMER SERVED

<u>Year</u>	<u>Frequency Coastal *</u>	<u>Frequency Capital *</u>
1999	100.0	57.9
1998	54.4	32.5
1997	67.0	56.6
1996	56.1	75.3
1995	76.6	70.9
1994	56.9	55.5
1993	63.2	54.0
Mean	67.7	57.5
Standard Deviation	15.0	12.8

PERFORMANCE STANDARD – Duration of Interruptions:

<u>Frequency- Coastal Target</u>	<u>(Penalty)/ Offset</u>	<u>Frequency- Capital Target</u>	<u>(Penalty)/ Offset</u>	
More than 97.7	(\$458,000)	More than 83.1	(\$458,000)	Deleted: 500,000
82.8 – 97.7	linear interpolation	70.4 – 83.1	linear interpolation	Deleted: 500,000
52.7 – 82.7	\$0	44.7 – 70.3	\$0	
37.7 – 52.6	linear interpolation	31.9 – 44.6	linear interpolation	
Less than 37.7	\$343,500	Less than 31.9	\$343,500	Deleted: 375,000
				Deleted: 375,000

* The calculations are based on data for the two operating areas of the Company – Coastal and Capital. Interruptions from “extraordinary events” are excluded, as described in the attached criteria.

$$\text{Duration per Customer Served (minutes)} = \frac{\text{Customer Minutes Interrupted}}{\text{Number of Customers Served}}$$

**THE NARRAGANSETT ELECTRIC COMPANY
PERFORMANCE STANDARDS
UNDER RETAIL ACCESS TARIFFS**

CUSTOMER CONTACT

<u>Year</u>	<u>% Satisfied*</u>
1999	82.1%
1998	77.8%
1997	79.5%
Mean	79.8%
Standard Deviation	1.8%

PERFORMANCE STANDARD – Customer Contact:

<u>% Satisfied</u>	<u>(Penalty)/ Offset</u>	
<u>Target</u>		
Less than 76.2%	(\$184,000)	Deleted: 200,000
76.2% – 77.9%	linear interpolation	
78.0% – 81.6%	\$0	
81.7% – 83.4%	linear interpolation	
More than 83.4%	\$138,000	Deleted: 150,000

* The calculations are based on responses from customers of Narragansett Electric based on surveys performed by an independent third party consultant. A sample of customers who have contacted the call center are surveyed in order to determine their level of satisfaction with their contact. Eight types of transactions are included in the survey, and the overall results are weighed based on the number of these transactions actually performed at the call center during the year.

The percent satisfied represents the responses in the top two categories of customer contact satisfaction under a seven point scale, where 1=extremely dissatisfied and 7=extremely satisfied.

**THE NARRAGANSETT ELECTRIC COMPANY
PERFORMANCE STANDARDS
UNDER RETAIL ACCESS TARIFFS**

TELEPHONE CALLS ANSWERED WITHIN 20 SECONDS

<u>Year</u>	<u>Percent of Calls Answered Within 20 Secs*</u>
1999	76.9%
1998	80.9%
1997	76.7%
1996	70.2%
Mean	76.2%
Standard Deviation	3.8%

PERFORMANCE STANDARD – Telephone Calls Answered within 20 Seconds:

<u>% Calls Answ Within 20 Sec Target</u>	<u>(Penalty)/ Offset</u>	
Less than 68.6%	(\$184,000)	Deleted: 200,000
68.6% – 72.3%	linear interpolation	
72.4% – 80.0%	\$0	
80.1% – 83.8%	linear interpolation	
More than 83.8%	\$138,000	Deleted: 150,000

$$\text{Percent of Calls Answered Within 20 Secs} = \frac{\text{Total Calls Answered Within 20 Seconds}}{\text{Total Calls Answered}}$$

**THE NARRAGANSETT ELECTRIC COMPANY
PERFORMANCE STANDARDS
UNDER RETAIL ACCESS TARIFFS**

**DEFINITIONS OF
PERFORMANCE STANDARD
MEASUREMENTS**

INTERRUPTION EVENT

The loss of service to more than one (1) customer for more than one (1) minute.

INTERRUPTION DURATION

The period of time, measured in minutes, from the initial notification of the interruption event to the time when service has been restored to the customers.

NUMBER OF CUSTOMERS SERVED

The number of customers taking electric service within the defined reporting service area on the last day of the reporting period.

NUMBER OF CUSTOMERS INTERRUPTED

The sum of the customers losing electric service for any defined grouping of interruption events during the reporting period.

CUSTOMER MINUTES OF INTERRUPTION

The product of the number of customers interrupted and the interruption duration for any interruption event. Also, the sum of those products for any defined grouping of interruption events.

EXTRAORDINARY EVENTS

A particular interruption event will be considered extraordinary, and will not count towards the Reliability Performance Standards, if it meets one of the following criteria:

- (1) It was the result of a major weather event which causes more than 10% of a district or the total company customers to be without service at a given time.
- (2) It was due to the failure of other companies' supply or transmission to Narragansett Electric customers and restoration of service was beyond the reasonable control of the Company and its employees.
- (3) It occurred because of an extraordinary circumstance, including, without limitation, a major disaster, earthquake, wild fire, flood, terrorism, or any other event beyond the reasonable control of the Company.

**THE NARRAGANSETT ELECTRIC COMPANY
PERFORMANCE STANDARDS
UNDER RETAIL ACCESS TARIFFS**

LINEAR INTERPOLATION

- (1) The actual performance or penalty each year will be calculated and the result will be scaled or interpolated linearly between the relevant two points of the results range and the relevant two points on the dollar range.
- (2) The method of determining the actual penalty, or offset, of each performance standard is determined by multiplying the value of the penalty, or offset, by the absolute value of the actual performance indicator minus the value of the first standard deviation from the mean of that indicator, divided by the value of the second standard deviation of the mean of that indicator minus the value of the first standard deviation from the man of that indicator.

$$\text{\$ Penalty or Offset} = \text{Penalty or Offset \$ Value} \times \frac{\text{Actual} - 1^{\text{st}} \text{ standard deviation}}{2^{\text{nd}} \text{ standard deviation} - 1^{\text{st}} \text{ standard deviation}}$$

CUSTOMER CONTACT

The calculations are based on responses from customers of Narragansett Electric, based on surveys performed by an independent third party consultant. A sample of customers who have contacted the call center are surveyed in order to determine their level of satisfaction with their contact. The Company will maintain the same levels of statistical precision of the results as in prior surveys. Eight types of transactions are included in the survey, and the overall results are weighed based on the number of these transactions actually performed at the call center during the year. The eight types of transactions are power Interruptions, meter on, meter off, meter exchange, collection, payment plan, meter reread, and meter test.

The percent satisfied represents the responses in the top two categories of customer contact satisfaction under a seven-point scale, where 1=extremely dissatisfied and 7=extremely satisfied.

TELEPHONE CALLS ANSWERED WITHIN 20 SECONDS

The percent of calls answered within 20 seconds is calculated by dividing the number of calls answered by a customer service representative within 20 seconds by the total number of calls answered by a customer service representative during the year. A call is considered answered when it reaches a customer service representative; abandoned calls are not considered. All calls that are answered by a customer service representative are include in the measurement of percentage answered; there are no exclusions. The time to answer is measured once the customer selects the option to speak with a customer service representative and thus leaves the recordings in the Voice Response Unit.

**THE NARRAGANSETT ELECTRIC COMPANY
PERFORMANCE STANDARDS
UNDER RETAIL ACCESS TARIFFS**

ADDITIONAL REPORTING CRITERIA

1. Each quarter, the Company will file a report of 5% of all circuits designated as worst performing on the basis of customer frequency.

Included in the report will be:

1. The circuit id and location.
 2. The number of customers served.
 3. The towns served.
 4. The number of events.
 5. The average duration.
 6. The total customer minutes.
 7. A discussion of the cause or causes of events.
 8. A discussion of the action plan for improvements including timing.
2. Narragansett will track and report monthly the number of calls it receives in the category of Trouble, Non-Outage. This includes inquiries about dim lights, low voltage, half-power, flickering lights, reduced TV picture size, high voltage, frequently burned out bulbs, motor running problems, damaged appliances and equipment, compute operation problems and other non-Interruptions related inquiries.
3. In addition, Narragansett will report its annual meter reading performance as an average of monthly percentage of meters read.